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ABSTRACT

Testimonies, prepared statements, and supplementary materials presented at a hearing on the role of business in educational reform and implications of the Hawkins-Stafford Amendments of 1988 are compiled in this document. Findings from a survey of state Chapter 1 coordinators are provided, as well as information about the American Business Conference's "The Vital Link" program and Chapter 1 improvements. Statements and prepared statements are offered by such groups as Compensatory Education, California State Department of Education; Committee for Economic Development; National Alliance of Business; The Business Roundtable; and the U.S. Department of Education. (LMI)

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OVERSIGHT HEARING ON EDUCATION REFORM AND AMERICAN BUSINESS AND THE IMPLEMENTATION OF THE HAWKINS-STAFFORD AMENDMENTS OF 1988

ED333530

HEARING

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, NOVEMBER 20, 1990

Serial No. 101-130

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OVERSIGHT HEARING ON EDUCATION REFORM AND AMERICAN BUSINESS AND THE IMPLEMENTATION OF THE HAWKINS-STAFFORD AMENDMENTS OF 1988

TUESDAY, NOVEMBER 20, 1990

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., in Room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins [Chairman] presiding.

Members present: Representatives Hawkins, Goodling, Gunderson, and Smith.

Staff present: June L. Harris, legislative specialist; Diane Stark, legislative specialist; Christina Lyndrup, staff assistant; and Amy Lozupone, staff assistant.

Chairman HAWKINS. The Subcommittee on Elementary, Secondary, and Vocational Education is called to order this morning.

We have invited a number of individuals from the business community to testify. The purpose of the hearing today is part of the oversight responsibility of the committee, and we, in effect, are trying to sum up some of the matters that we have taken up this year and look forward to the next year.

The Chair has no statement to enter into the record at this time. However, I would like to commend the cooperation that we have had from the business community.

I had the opportunity to read a recent publication that was developed by the National Alliance of Business. Some of you may recognize it, the Business Roundtable Participation Guide: A Primer for Business on Education.

I don't know, Mr. Goodling, whether you have had an opportunity to read it.

Mr. GOODLING. No, I have not.

Chairman HAWKINS. But I certainly want to urge all who haven't to read it and to certainly make it available to the members of the subcommittee. I think it not only involves a direct message to the business community, but I think it also sums up very well the efforts of this committee to gain responsibility in American education and to forge ahead.

(1)

On just a personal note, it has always been somewhat difficult for me to understand why everyone is so critical of the schools, and that stretches all the way from the top Federal officials to people at the local community level. Everybody talks about how stagnant education is, using the word referred to by Mr. Cavazos in a recent statement, and yet we have tried to build into the structure strong accountability for results, and actually in the 1988 act to which we will refer many times today, accountability for results, specific results at the state, the local and even at the student level. So it just seems that there is plenty of room for some type of slippage from the point that we talk about education and how we practice education in many ways.

One statement from the primer for business on education that I thought was highly remarkable, among others, is that in the introduction this statement is made that the methods to ensure that all children learn do not need to be discovered or invented; they are known. So it seems to me we have knowledge of what to do. We have the necessity to do something, but to show how the accountability that we have tried to develop just doesn't seem to get implemented, and I have heard many individuals who say that they are willing to support the public educational system but they want to see results, and we agree with them.

So we thought we would take a new tact today and ask business people what they think because they have, as this primer indicates, not only a strong responsibility but a desire to see results, and I think in many ways they have recommended some specific steps that need to be taken. So we certainly look forward to their testimony.

Mr. Goodling, maybe you have a statement at this time.

Mr. GOODLING. Thank you, Mr. Chairman.

Only to say that I have been telling educators, in the last couple years, that business is out in front, not they, in making the changes that are necessary in education. However, and that I am not telling them to get out in front of business, but to get out in front together. I think more of that is happening. And I look forward to still more.

I recently met with my advisory group from back home, which includes PTA, educators, school board and business, et cetera. The business community was saying, that they longed to get more programs into the school system that are presently in business. One stressed, "I'm sure we could teach algebra I in a half year rather than a full year, so I hope that together we can make the difference."

Educators usually say that business has a selfish interest. I say, I don't care what interest, let's just get the job done. So we will be interested to hear your testimony today.

Chairman HAWKINS. Well, thank you.

This morning we will hear from the business community. This afternoon, beginning at two, we have invited the Department of Education to appear before the committee, and at the same time Mr. Gordon Ambach, representing the Chief State School Officers will testify. So we expect to get three separate view points today and try to make them compatible.

With that, I would like to express our appreciation to the business persons who are appearing before us today, especially to Mr. William Kolberg, whom I contacted to suggest witnesses. We are pleased to have his appearance, and so in the order in which they have been listed, we will call, first, on Mr. Kolberg, president of the National Alliance of Business.

Bill, it is a pleasure to have you before the committee again.

STATEMENT OF WILLIAM H. KOLBERG, PRESIDENT, NATIONAL ALLIANCE OF BUSINESS

Mr. KOLBERG. Thank you very much, Mr. Chairman, for the honor to be a part of what must be your last formal hearing day in your 26 years in this House, 26 years of superb service and 55 years of public service to the State of California and this republic. We are all in your debt.

We deeply appreciate this opportunity to develop a record of discussion with this subcommittee about what must be done to improve American education and what the business community can contribute, along with other stakeholders, to build an education system whose excellence is unmatched anywhere in the world.

Our failing education system is contributing to the decline in our competitive position in the world economy and is, therefore, of national economic concern. We recognize that the reasons for this decline in our competitiveness are complex, but there is a direct relationship between the quality of public education and our economic well being.

While education remains largely a state and local responsibility in this country, we are all beginning to see education issues in a national context and as a national problem. This national concern over education has led the National Alliance of Business to join in partnership with other national business organizations, some of whom are represented here this morning, Mr. Chairman, in a business coalition for education reform to work over the long haul with education and community leaders to help reverse declines in education quality and economic opportunity.

For many years business organizations have sensed that there is a growing problem with the level of competencies in entry level workers. Now we know that the problem is real. The Alliance recently conducted a poll of human resource officers at the 1200 largest United States corporations and found that only 36 percent said that they were satisfied with the competency of new employees entering the work force and that both reading and math competency had slipped over the last five years.

Companies have been telling us that too many new employees need remedial training in basic reading and math skills, and consequently money is being diverted to remedial education and to basic training from more productive uses.

The costs to business of an ill-prepared work force are staggering and afflict businesses wherever they turn. While many Americans focus rightly on our trade and budget deficits, we will, in fact, need to turn far greater attention to the education deficit if we are to resolve our domestic and international economic problems.

The industrialized nations who have become our key competitors around the world are those who long ago recognized the importance of education for their economic well being. Their approach to developing work opportunities through high skills and high expectations draws a sharp contrast to America's current approach.

The situation was summarized in a recent report entitled America's Choice, High Skills or Low Wages by the National Commission on the Skills of the American Work Force on which I was privileged to serve.

We summarized the contrast between the United States and our international competitors as follows: They insist that virtually all of their students reach a high educational standard. We do not. They provide professionalized education to noncollege-bound students to prepare them for their trades and to ease their school to work transition. We do not. They operate comprehensive labor market systems which combine training, labor market information, job search, and income maintenance for the unemployed. We do not.

They support company-based training through general revenue or pay roll tax based financing schemes. We do not. They have national consensus on the importance of moving to high productivity forms of work organization and building high wage economies, and we do not.

Mr. Chairman, unless our Nation acts quickly, these failures in the way we educate and train our people will fundamentally change the way of life of every American. They will alter our standard of living, our ability to compete and our standing in the world.

The recommendations of this commission provided, I think, a broad context for more detailed discussions about the various intergovernmental roles in education. The commission made five key recommendations.

Number one, a new educational performance standard should be set for all students, to be met by age 16. This standard should be established nationally and benchmarked to the highest in the world.

Number two, the states should take responsibility for assuring that virtually all students master this basic level of competencies. States with Federal assistance should create and fund alternative learning environments for those who cannot attain the basic certification of competencies in our regular public schools.

Three, a new comprehensive system of technical and skill training for the noncollege-bound must be created to professionalize the skill endowments of the 70 percent of our workers who do not complete a baccalaureate.

Number four, employers and workers must become involved in life-long learning. An employee should be assessed and, if necessary, given incentives to invest in the continuous education and training of their workers so that the firm can move to high performance, total quality forms of production.

Finally, number five, a system of employment and training boards should be established by Federal and state governments, together with local leadership, patterned generally on private indus-

try councils to organize and oversee the new school-to-work transition programs and the new training programs.

Education and skill preparation for work is seen as a public-private endeavor among our competitors. In those countries, education is part of a national strategy that educates not only for citizenship but also for employment.

The decade of the 1990s must become known in this country as the high skills decade where we move decisively as a society to upgrade and invest in our human resources.

As our competitors have done, we must develop a national strategy to educate and train Americans to world-class standards.

Mr. Chairman, over the last five years we at the Alliance have studied the business-education partnerships exemplified by the Boston Compact and have developed a much deeper understanding of education issues. Our experience in replicating the Boston Compact process in 12 other cities has deepened our respect for the difficulties community leaders, and particularly business leaders, face in pursuing systemic change.

Based on our experience, we have taken time to stand back and reflect on what we learned, sought expert advise from education professionals also seeking reform, and have written numerous publications on the issues in education.

We would be happy to make this available to the committee. This year we established a center for excellence in education within the Alliance which gives us a long-term commitment, indeed a 10 year commitment to work on restructuring education.

Five years ago, probably none of us would be here at this table talking about education. All of us, through our individual experiences, have increased our understanding of education issues, have realized the relationships of education deficits to our economic future, and are acting to assume a responsible role in helping to solve the problems.

The work we do as national business organizations is designed to provide help to state and local organizations, particularly business organizations. We will continue to research, write and work together to provide information that can be used locally.

Through continued demonstration projects in business education partnerships, we gain additional experience and can provide information and analysis to state and local leaders so that the lessons learned by each community are available to others. We see ourselves as a resource and a catalyst for change.

Mr. Chairman, in your opening remarks you mentioned the Business Roundtable Participation Guide: A Primer for Business on Education. I have in my written testimony a summary of some of the things in that booklet, and I am sure that my colleague, Mr. Lurie, will also say a few words about it.

I noticed that yours was well marked up both in the front and the back. We appreciate your attention to the kinds of things that we write. That won't be the last publication that we do individually and together, but it is an example of the kind of thinking analysis, demonstration work that we intend to do over time.

Mr. Chairman, I would like to spend my last few minutes on the subject of national leadership and the Federal role in education reform. It seems to me that we are now at a juncture in our efforts

to reform education where we need to recognize that we must act as a nation on a national challenge. And yet the needed actions must primarily be taken by 50 states and 15,000 local districts and ultimately in 83,000 school buildings.

The Federal Government has historically had a relatively passive role in education and provides less than 10 percent of the funds for elementary and secondary education in this country. The challenge, it seems to me, is to define a proactive national leadership role for the Federal Government without displacing or supplanting the traditional state and local responsibilities for education. It seems to us that we are at a very early stage of defining this new national leadership role for the Federal Government.

Last year the President and the governors adopted national goals for education to be achieved by the year 2000. We strongly advocated the setting of these goals and are committed to working toward the achievement of the goals. We are, frankly, disturbed that the National goals are not yet well understood and that their importance has not been adequately communicated. There is still no systematic and well understood plan for achieving the goals.

It seems important to us to build careful strategies for their implementation and to monitor our progress against them. The President and the governors should be supported in their efforts to establish and institutionalize an oversight committee on the goals, but we wonder if over time a relatively ad hoc arrangement will be such to provide an objective measure of progress on the goals and to provide enough information to tell the American people how we are doing.

Now is not the time to be decisive over a mechanism for monitoring and communicating our progress towards the goals. However, Mr. Chairman, we need a clear national strategy for addressing education reform, and we are concerned that over time ad hoc institutions not grounded in law may not be sufficient to provide the proactive national leadership that we believe is necessary.

The Federal Government has a traditional and accepted role in supporting the data development efforts upon which new knowledge and innovation in education are based. This traditional role, we believe, should be expanded in the 1990s as we search for new methods, develop new standards and new assessment mechanisms and otherwise work toward meeting our ambitious goals.

What is needed is a much more strategic approach to information development and the use of data in relation to the National goals. Our concern over Federal control and Federal standards setting has sometimes resulted in us searching for private funding to do what is really basic national developmental work.

Instead, we should carefully but proactively develop the National capacity to provide the knowledge and the basic data from which the entire educational system can draw.

Early Childhood Development is a programmatic area in which the Federal leadership has had tremendous impact. It is the best example of filling a gap in the traditional systems of mandatory education.

It has had a direct impact on social skills, educational achievement, and self-esteem.

We at the Alliance see investments in early childhood programs like Head Start as an important weapon in the fight against the problems of school dropouts, drug abuse, crime, and teenage pregnancies, and it is for that reason that we are on record in support of full funding for Head Start.

I would like to commend you, Mr. Chairman, for your leadership in enacting major revisions to Head Start this year, which will move us substantially closer to providing more comprehensive services to all eligible youth who need them.

Mr. Chairman, we also need to establish a framework for a national examination system.

We need to somehow restore confidence in a national level of student achievement.

Business needs assurance that students have achieved a certain level of competency upon graduation, no matter where in the country they went to school.

Business has lost confidence that a high school diploma reflects actual skills rather than time in seat.

In our commission report, which I mentioned earlier, we recommended a system of certifying a minimum standard level of achievement for all youth by age 16 or have them remain in school until that level is achieved.

The establishment of a system of national standards, coupled with assessment, would ensure that every student leaves compulsory school with a demonstrated ability to read, write, compute and perform at world-class levels in general school subjects.

Students should also have exhibited a capacity to learn, think, work effectively alone and in groups and in solving problems.

To have nationally uniform expectations we will need a set of uniform national standards.

The work being done by the National Goals Oversight Committee, the Secretary of Labor's Commission on Achieving Necessary Skills, and the National Assessment for Educational Progress are important examples of the type of activities needed to develop such a system of standards.

Mr. Chairman, America needs to develop a performance-based assessment system nationally that tests our students.

Without this assessment system, business will continue in its lack of confidence in the skills and capabilities of our school graduates.

We need also to establish a school-to-work transition system.

Various policy studies have focused recently on the failure of our society to provide school-to-work assistance to the majority of students who do not go on to college.

America prepares only a tiny fraction of its non-college-bound students for work, whereas other industrial nations have multi-year career educational programs that prepare students to operate at a professional level in the workplace.

The enactment this year of the "Tech Prep" or "Two-plus-Two" program in the vocational educational reauthorization bill is an important step in this direction and may serve as a model for a more extensive system of occupational certification.

Finally, Mr. Chairman, we must insist on accountability. One critical level that the Federal Government has over its investment in education is to carefully structure and insist on accountability. This means not only fiscal accountability, but also accountability for solid results.

The Chapter 1 accountability standards that you have authorized, Mr. Chairman, are an example of what we need.

In conclusion, this is a complex agenda for change. Despite what seems like insurmountable obstacles, a growing current of public opinion demands change in education.

All Americans must play a part. We in business are preparing ourselves to play an important and long-term role in achieving significant change and improvement.

The education reform effort requires strong national leadership from the Federal Government in setting the vision and setting the goals and ensuring that all the stakeholders carry out their appropriate roles.

Thank you, Mr. Chairman.

[The prepared statement of William H. Kolberg follows:]

STATEMENT OF
WILLIAM H. KOLBERG
ON BEHALF OF THE
NATIONAL ALLIANCE OF BUSINESS
BEFORE THE
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION
COMMITTEE ON EDUCATION AND LABOR
U. S. HOUSE OF REPRESENTATIVES

"OVERSIGHT ON THE BUSINESS PERSPECTIVE OF EDUCATION IN AMERICA"

NOVEMBER 20, 1990

It is a pleasure to testify before this Subcommittee during its deliberations on education reform issues as it looks to the new Congress and next steps in federal education policy.

I am William H. Kolberg, President, of the National Alliance of Business.

We deeply appreciate this opportunity to develop a record of discussion with this Subcommittee about what must be done to improve American education and what the business community can contribute, along with other stakeholders, to build an education system whose excellence is unmatched anywhere in the world.

The fact that the individual business organizations represented here today, along with many others, have made a long term commitment to work on what have become "national" issues of educational quality and achievement demonstrates the urgency that we attach to preparing people to take full advantage of life's opportunities in this society.

Our failing education system is contributing to the decline in our competitive position in the world economy and is, therefore, of national economic concern. We recognize that the reasons for this decline in our competitiveness are complex, but there

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is a direct relationship between the quality of public education and our economic well-being. While education remains largely a state and local responsibility in this country, we are all beginning to see education issues in a national context and as a national problem.

This national concern over education has led the National Alliance of Business to join in partnership with other national business organizations, many of whom are represented here this morning, in a Business Coalition for Education Reform to work over the long haul with education and community leaders to help reverse declines in education quality and economic opportunity. (The Business Coalition for Education Reform includes American Business Conference, Black Business Council, The Business Roundtable, Business-Higher Education Forum, Chamber of Commerce of the United States, Committee for Economic Development, The Conference Board, National Alliance of Business, National Association of Manufacturers, and the U.S. Hispanic Chamber of Commerce).

This hearing is timely, because all of us share a desire for decisive action. I believe that there are appropriate roles for business leaders to work closely with the federal government in exercising national leadership as we work in partnership with state and local officials to restructure and improve the way we educate our youth. This hearing is an important step in discussing those roles.

The Deepening Crisis

For many year, business organizations have sensed that there is a growing problem with the level of competencies in entry level workers. Now we know from research data, surveys, and individual companies that the problem is real. The Alliance recently

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conducted a poll of human resource officers at the 1200 largest U.S. corporations and found that only 36 percent said they were satisfied with the competency of new employees entering the workforce, and that both reading and math competencies had slipped over the past 5 years. Companies have been telling us that too many new employees need remedial training in basic reading and math skills and that they are not trained in many of the skills needed by manufacturers. Consequently, money is being diverted to remedial education and to basic training from more productive uses, such as research and development.

Until recently in our history, individuals who did not graduate from high school could still find jobs and lead productive lives. This is no longer the case. Escalating workplace demands have totally changed the environment. The skill requirements needed for work have become more complicated.

Couple this with a slower population growth that reduces the labor supply, and employers must reach deeper into the worker pool to those who are less well educated. Unfortunately, employers are forced to settle for these less well educated workers when what they need are workers with higher skill levels, who can adapt to constant change, and can reason and communicate. The costs to business of an ill-prepared workforce are staggering and afflict businesses wherever they turn.

These factors affect our competitive position. While many Americans focus on our trade and budget deficits, we will in fact need to turn far greater attention to the education deficit if we are to resolve our domestic and international economic problems.

The industrialized nations who have become our key competitors around the world are those who long ago recognized the importance of education for their economic well-

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being. They each have adopted a national policy and practice for a systematic transition from school to work for all youth, and, with a high level of education skills in their workers, each has been able to organize work more efficiently with greater productivity by cultivating higher skills in front line workers. Their approaches to developing work opportunities through high skills and high expectations draws a sharp contrast to America's current approach. This situation was summarized in a recent report "*America's Choice: High Skills or Low Wages*" by the National Commission on the Skills of the American Workforce, on which I was privileged to serve. We summarized the contrast between the United States and our international competitors as follows:

- They insist that virtually all of their students reach a high educational standard. We do not.

- They provide "professionalized" education to non-college bound students to prepare them for their trades and to ease their school-to-work transition. We do not.

- They operate comprehensive labor market systems which combines training, labor market information, job search, and income maintenance for the unemployed. We do not.

- They support company based training through general revenue or payroll tax based financing schemes. We do not.

- They have national consensus on the importance of moving to high productivity forms of work organization and building high wage economies. We do not.

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When education is viewed in the context of international competitiveness, other nations educate their youth up to age 16 better than we do. As the Commission report stated, our approaches have served us well in the past. They will not serve us well in the future. Unless our nation acts quickly, these failures will fundamentally change the way of life of every American. They will alter our standard of living, our ability to compete, and our standing in the world. This is not hyperbole; this is fact.

The recommendations of the Commission, if implemented, would have a direct impact on restructuring education and they provide a broad context for more detailed discussions about the various intergovernmental roles in education. The Commission made five key recommendations.

- A new educational performance standard should be set for all students, to be met by age 16. This standard should be established nationally and benchmarked to the highest in the world.

- The states should take responsibility for assuring that virtually all students master this basic level of competencies. States, with federal assistance, should create and fund alternative learning environments for those who cannot attain the basic certification of competencies in regular schools.

- A new comprehensive system of technical and skill training for the non-college bound must be created to "professionalize" the skill endowments of the 70% of our workers who do not complete a baccalaureate degree.

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- Employers and workers must become involved in "life long learning" and employers should be assisted and, if necessary, given incentives to invest in the continuous education and training of their workers, so that the firm can move to "high performance," "total quality" forms of production.

- A system of employment and training boards should be established by federal and state governments, together with local leadership, patterned generally on Private Industry Councils (PICs), to organize and oversee the new school-to-work transition programs and training systems we propose.

When education is viewed broadly in the context of our economic competitiveness, it is easier to see the close connections between education and job training for youth, school-to-work transitions, and the relationship of education to performance in the workplace. Education and skill preparation for work is seen as a public/private endeavor among our competitors. In those countries education is part of a national strategy that educates not only for citizenship but also for employment.

The decade of the 90's must become known as the "high skills" decade where we move decisively as a society to upgrade and invest in our human resources. As our competitors have done, we must develop a national strategy to educate and train Americans to world-class standards.

Growth of Business Interest in Education

Over the last five years as we at the Alliance studied the business-education partnerships exemplified by the Boston Compact, we developed a much deeper understanding of education issues. Our experience in replicating the Compact in 12

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other cities deepened our respect for the difficulties community leaders, and particularly business leaders, face in pursuing systemic change. We have taken time to stand back and reflect on what we learned, sought expert advice from education professionals also seeking reforms, and have written numerous publications on the issues in education and the potential roles for business involvement. (I would be happy to make copies of these publications available to the Committee.)

This year we established a Center for Excellence in Education within the Alliance, making a long term commitment to work on restructuring issues. But the Alliance is one of a host of national, state, and local business organizations concerned about these issues. That is how we teamed together with other national business organizations in the Business Coalition for Education Reform. Five years ago, probably none of us would be here talking about education. All of us, through our individual experiences, have increased our understanding of education issues, realized the relationships of education deficits to our economic future, and are acting to assume a responsible role in helping to solve the problems.

Thoughts on the Business Role in Education Reform

We in the business community are among those in the eye of the storm. The only solution seems to be restructuring the way we manage and provide education in this nation. While it is the schools themselves that must change, we believe that business can and must help. We can no longer afford to tinker at the margins and wait for modest change. We are after genuine change in the ways education is delivered and organized.

The work we do, as national business organizations, is designed to provide help to State and local organizations, particularly business organizations. We will continue to

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research, write, and work together to provide information that can be used locally. Through continued demonstration projects in business-education partnerships, we gain additional experience and can provide information and analysis to State and local leaders so that the lessons learned by each community are available to others. We see ourselves as a resource and a catalyst for change.

Last year, the Alliance, in cooperation with The Business Roundtable, developed a publication on the issues involved in education reform entitled ***"The Business Roundtable Participation Guide: A Primer for Business on Education."*** I would like to briefly illustrate, for the record, some of the points made in that publication concerning the role of business in education reform.

- *Coalition Building*. To affect real change, business executives must join together with educators, including their unions, government officials, and state and community leaders, and institutionalize their work on education reform. To be successful, coalition members must work to build trust and common understanding about education issues, identify critical problems, establish goals, and develop a plan of action. Patience and a long time horizon are critical for success in the difficult reform efforts which are undertaken.

- *Upgrading Teachers and Education Professionals*. Businesses, with their experience in human resource development, can lend important resources, whether staff time, advocacy, or funding to help recruit, retain, or retrain professional educators. Training experts from the private sector can be of enormous help to schools attempting to train their employees in group dynamics, decision making, and problem solving. Corporate management

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training manuals can be adapted to the education environment. Businesses can invite teachers into the workplace so that they can see the kinds of skills and knowledge their students need to succeed. Business people can lobby States to improve pay and working conditions to attract top notch talent to teaching and can develop attractive career ladder programs so that talented, well qualified people will remain in the teaching profession.

- *Curriculum*. From the point of view of many educators, business involvement in curriculum change is one of the most controversial areas. Educators worry that business will advocate only job specific curricula as opposed to a broader, knowledge based approach. In today's world, business needs workers prepared to solve problems, think critically, and communicate, which meshes with the overall goals of educators. They can build trust around their common interest. Business can do much to convince the public that America must invest in modernizing its curriculum and teaching approaches to reach all children by providing education in ways that can be made more apparently relevant to students. Business can add its support to efforts directed to creating new research and development centers focused on curriculum design, training, and assessment techniques as well as support research on how people learn outside of school. Business can help educators rethink their approaches to curriculum by helping to bridge the gap that has often isolated schools from the workplace. This link can help make school relevant to many students who do not see the connection between school and work.

- *Management and Decision Making*. Based on its own experiences in restructuring, business can often play an important role both in helping school systems take the steps necessary for decentralization and in assuring that the

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proper support steps like human resource development, accountability systems, and budgeting are in place. Business leaders are well positioned to help school personnel with many of the management and decision making techniques that are needed for school based management. Human resource departments have long offered courses in team building, management development, and budgeting that new school based teams, including principals, require. Business can help with strategic planning and can offer models of shared decision making. Educators frequently have a factory model in mind when they think of business and are not as familiar with the shared decision making strategies that are increasingly common in today's corporate environment.

- *Accountability*. Since business has a sophisticated understanding of accountability systems, it can play an important role with federal, state, and local policy makers to increase flexibility and foster quality. Business can support the need for waivers, contract modifications, and changes in legislation that inhibit or restrict districts from initiating restructuring activities such as school based management, curriculum changes, and changes in instructional techniques. Business can work with educators to develop better mechanisms to hold the system accountable. It is also an opportunity to develop new incentive systems.

- *Education Financing*. By helping districts adopt program oriented budgets, business can clarify both to educators and the public how funds are being used and identify possible cost savings. By helping develop local financial management systems, the delegation of budget and financial authority to the school is more feasible. Seeing the need to educate children at high

standards in poor as well as wealthier districts, business can be an important force in raising equity in financing issues. Further, where there is a clear case for increased financial resources, business can play a role in public advocacy for such increases.

- *Infrastructure*. Property, plant, equipment, and technology requirements of education have not received adequate public attention and are frequently given low priority. Most large companies have staff who are skilled in managing large capital assets, who can help educators in this neglected area which is important to education restructuring.

- *Social and Health Services Delivery*. To achieve the goal of educating all of our children, we must ensure that children have access to the social and health services they need. We must expand our view of schools from locations where only educational services are delivered, to locations where a myriad of needed services are available. While coordination of services must occur locally, business can work with federal and state government to promote better coordination to ensure that program rules, regulations, and eligibility requirements are reviewed and adjusted to make programs more compatible with each other.

National Leadership and the Federal Role in Education Reform

We are now at a juncture in our efforts to reform education where we recognize that we must act as a nation on a national challenge, and yet the needed actions must primarily be taken by 50 States and 15,000 local school districts, and, ultimately, in 83,000 school buildings. The federal government has historically been a relatively

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passive force in education and provides less than 10% of the funds for education. The challenge is to define a proactive national leadership role for the federal government without displacing or supplanting the traditional State and local responsibilities for education. We are at the very early stages of defining this new national leadership role for the federal government.

National Goals. Last year the President and the governors adopted national goals for education to be achieved by the year 2000. We strongly advocated the setting of these goals, and are committed to working toward the achievement of the goals. We are disturbed that the national goals are not yet well understood and that their importance has not been communicated. There is still no systematic and well understood plan for achieving the goals. It is important to build careful strategies for their implementation and to monitor our progress against them.

The White House and Governors should be supported in their efforts to establish and institutionalize an oversight committee on the goals, but we wonder if, over time, this relatively ad hoc arrangement will be sufficient to provide an objective measure of progress on the goals, and to provide enough information to tell the American people how we are doing. Now is not the time to be divisive over a mechanism for monitoring and communicating our progress toward the goals. However, we need a clear national strategy for addressing education reform, and we are concerned that over time, ad hoc institutions not grounded in law may not be sufficient to provide the proactive national leadership that is necessary.

National Leadership through Research and Information Development. The federal government has a traditional, and accepted, role in supporting the data development efforts upon which new knowledge and innovation in education are based. This

traditional role should be expanded in the 90's, as we search for new methods, develop standards and new assessment mechanisms, and to otherwise work toward meeting our ambitious goals. What is needed is a much more strategic approach to information development and the use of data in relation to national goals. Our concern over federal control and federal standard setting has sometimes resulted in us searching for private funding to do basic developmental work. Instead, we should carefully, but pro-actively, develop the national capacity to provide the knowledge and basic data from which the entire educational system can draw.

Early Childhood Development. This is a programmatic area in which federal leadership has had tremendous impact. It is the best example of filling a gap in the traditional systems of mandatory education. Early childhood development is an important new concept in education, as a strategy of prevention, of which the Head Start program is a part. The Committee for Economic Development (CED) has provided leadership on this issue, and has not only educated the business community about the importance of preschool education and health care, but also has argued convincingly for pursuing a strategy of prevention in public policy.

We recognize how critical early childhood education can be. It has a direct impact on social skills, educational achievement, and self esteem. We at the Alliance see investments in early childhood programs, like Head Start, as an important weapon in the fight against the problems of school dropouts, drug abuse, crime, and teenage pregnancy and for that reason we are on record in support of full funding for Head Start. It has the potential, over the long term, of allowing us to redirect limited federal dollars that otherwise might have to be spent on "second chance" systems to repair the damage that could have been prevented. I would also argue that we are at a point where the costs

could be shared with the States. We know that about 30 states have enacted various types of early childhood programs, 9 of which are designed to supplement Head Start.

Now, with the governors recognizing a national goal related to early childhood education, and with the states having primary responsibility for public education, perhaps we could move to a greater level of shared responsibility in early childhood development. There is precedent in virtually every other program of federal assistance to education. The closest comparison is the federal Chapter 1 program, which predominately covers poor children in the early years of elementary school, in which costs are shared with the states.

I would also like to commend you, Mr. Chairman, for your leadership in enacting major revisions to Head Start this year which move us substantially closer to providing more comprehensive services to all eligible youth who need them.

Build Linkages in the Broad Range of Federal Education Programs. We must take much more care to rationalize how individual programs are linked in a cohesive continuum of education development. Individual federal education programs must be thought of in relation to each other. For example, Head Start cannot be separated from services under Chapter 1 of the Elementary and Secondary Education Act or we risk losing the gains of one program during the application of another. Each program should build logically on the progress of the others. We still need to emphasize educational services to disadvantaged groups, but the policy must be to build on linking education programs. This also can have an effect in reducing the bureaucracies which have been established over time at the federal, state, and local levels.

Integrate Health and Human Service Programs with Education. Educators are often the first to identify health or other problems that are preventing children from learning. But, they are often helpless in addressing these problems. Federal and state legislation must put a premium on assuring that health and human service programs are readily available to children. This can be accomplished by insisting that such programs demonstrate how well they are tied into the schools and responding to the problems identified by school teachers, counselors, and administrators.

Establish a Framework for National Examination Systems. We need to restore confidence in a national level of student achievement. We must establish a national means of measuring achievement. Business, certainly, needs assurance that students have achieved a certain level of competency upon graduation no matter where in the country they went to school. Business has lost confidence that a high school diploma reflects actual skills gained. In our Commission report, which I mentioned earlier, we recommended a system of certifying a minimum standard level of achievement for all youth by age 16, or have them remain in school until that level is reached. The establishment of a system of national standards coupled with assessment would ensure that every student leaves compulsory school with a demonstrated ability to read, write, compute, and perform at world-class levels in general school subjects (mathematics, physical and natural sciences, technology, history, geography, politics, economics, and English). Students should also have exhibited a capacity to learn, think, work effectively alone and in groups and solve problems. The national assessment system should allow students to collect credentials over a period of years, perhaps beginning as early as entrance into the middle school. This kind of cumulative assessment has several advantages over a single series of examinations: it would help to organize and motivate students over an extended period of time; it would provide multiple opportunities for success rather than a single high-stakes moment of possible failure. Cumulative

certificates would greatly enhance the opportunity for the undereducated and unmotivated to achieve high educational standards, and all could earn credentials at their own pace, as the criteria for any specific credential would not vary, regardless of the student's age. It would also allow students who are not performing well in the mainstream education system to earn their credentials under other institutional auspices. To have nationally uniform expectations, you will need a set of standards. The work being done by the national goals oversight committee, the Secretary of Labor's Commission on Achieving Necessary Skills (SCANS), and the National Assessment for Educational Progress, are important examples of the type of activities needed to develop such a system of standards.

America needs to develop a performance based assessment system nationally that tests our students. Without this assessment system, business will continue in its lack of confidence in the skills and capabilities of our school graduates.

Establish a Better School to Work Transition. For several years now, various policy studies have focused on the failure of our society to provide school to work assistance to the majority of students who do not go on to college. We are not naive about how complicated this issue is, but it deserves urgent attention by the Committee in the new Congress. I understand that several members of the Committee have already expressed interest in working on such a proposal. In my view, it involves not only integrating opportunities for work experience with school to give relevance to classroom learning and to motivate students (as the Europeans do), but also to assist students with the skills for finding meaningful employment. America prepares only a tiny fraction of its non-college bound students for work. Other industrial nations have multi-year career educational programs that prepare students to operate at a professional level in the workplace. The enactment of the "Tech-Prep" or "Two-plus-Two" program in the

vocational education reauthorization this year is an important step in this direction and may serve as a model for a more extensive system of occupational certification. The Alliance intends to develop more detailed ideas on the federal role in a school to work transition, and we will work closely with the Committee during the coming session as our work advances.

Provide a Safety Net for Those Who Would Otherwise Fail. This is an important and traditional role of the federal government in education to assure equal opportunity and equity of services in education. We would like to see this role broadened in the way help is provided to school dropouts. There are a variety of existing programs in this area that need to be linked more carefully into a more cohesive strategy. All students should be guaranteed the educational attention necessary to attain mastery of a standard set of educational skills by age 16, or as soon as possible thereafter. Again the Commission report recommended that a system of "youth centers" be established to enroll school dropouts and help them reach that standard. The centers would include other necessary counseling, mentoring, and social services. Federal funds would play a part in financing these dropout recovery programs, with the bulk of the funds coming from State sources.

Insist on Accountability. One critical lever that the federal government has over its investment in education is to carefully structure and insist on accountability. This means not only fiscal accountability, but also accountability for solid results. The Chapter 1 accountability standards are an example of what is needed. We are not prepared today to recommend specific methods to achieve accountability, but we do believe that rewards and consequences should be a part of education program legislation.

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In Conclusion

Mr. Chairman, this is a complex agenda for change. Despite what seem like insurmountable obstacles, a growing current of public opinion demands change in education. All Americans must play a part. We in business are preparing ourselves to play an important role in achieving significant change and improvement.

Business leaders can be instrumental in keeping education high on the public agenda in their states and communities. They can be strong advocates for the transformation of the schools. They can help raise the sights of educators who, feeling powerless and frustrated, often lose any incentive to press forward. Joint efforts are necessary to address the spectrum of education issues in a coordinated and focused approach. Business leaders must work collaboratively and over the long term with educators as well as community leaders toward common goals.

Our long term agenda, through the Alliance's Center for Excellence in Education and with our partners in the Business Coalition for Education Reform, is to find and implement more effective ways for business involvement.

This education reform effort requires strong national leadership from the federal government in setting the vision and the goals, and in ensuring that all the stakeholders carry out their appropriate roles.

I will be happy to answer any questions you may have.

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Chairman HAWKINS. Thank you, Mr. Kolberg.

The next witness is Mr. William Lurie, President of The Business Roundtable.

Mr. Lurie, we welcome you.

STATEMENT OF WILLIAM L. LURIE, PRESIDENT, THE BUSINESS ROUNDTABLE

Mr. LURIE. Thank you.

Mr. Chairman, Congressman Goodling, Congressman Smith, Congressman Gunderson, good morning.

I am William Lurie, President of The Business Roundtable, an association of over 200 chief executive officers of the largest corporations in the United States.

Our chairman is Drew Lewis, Chairman and Chief Executive Officer of the Union Pacific Corporation.

The Roundtable was founded in 1972 with the express intent of involving CEO's in the significant public policy issues facing business and the Nation.

Mr. Chairman, you have dedicated most of your career in public service to improving education for all our children. The Business Roundtable applauds your efforts and your successes. Yet, much more work remains.

Mr. Chairman, thank you for inviting me to explore briefly how business and Government can work together to promote very broad reform of America's elementary and secondary school system.

Business is a major consumer of the education system. This is one reason why you are seeing America business roll up its sleeves and join with other interested parties to help make the education system successful.

Business does not have all the answers, but we do have the willingness to work hard.

Many business people I talk with believe our education system is floundering.

Whether measured by flat SAT scores, drop-out rates, or international comparisons where American children are outperformed by our industrial competitors, it is clear we are in trouble.

The question is what are we going to do about it?

The Business Roundtable, and its Education Task Force, under the leadership of John Akers, Chairman and Chief Executive Officer of IBM, has launched a 10-year, 50-State initiative in which CEOs, Governors, and other interested parties will develop State education policies which will push us towards the National education goals.

This is a long-term effort, and we intend to be around for the long pull.

To date, more than 170 chief executive officers have volunteered their personal time and company resources to work on the initiative in every State and the District of Columbia.

The target is an all-encompassing system of reform.

To get there, our reform agenda is based on nine essential components of a successful education system.

Our agenda is as follows:

First, the education system and its mission must be predicated on four key assumptions——

Chairman HAWKINS. I'm sorry, Mr. Lurie. There are several requests for your prepared testimony.

Mr. GOODLING. Maybe I am the only one who doesn't have it. Sorry about that.

My testimony is in the black book.

Mr. LURIE. I have covered the introduction. Now I am getting to the meat on page 4.

Our agenda is as follows:

First, the education system and its mission must be predicated on four key assumptions: that all students in our culturally and economically diverse society can learn both the basics and high-order skills; that we know how to reach all students successfully; that curricula must reflect high expectations; and that every child needs an advocate, someone who cares.

Second, the system should not be based solely on inputs, but should include the outputs, the results it produces for students.

Third, we must do a better job of assessing students' ability to think and solve problems.

We must set high standards, for all children need them, and devise effective measurements against them.

One way the Federal Government can help, in this very difficult area of assessment, is to work on developing a rigorous set of comparisons which we now lack of the performance of individual schools, school districts, States and nations.

Arguably one of the best tools currently available to do this is the National Assessment of Education Progress, NAEP.

In 1990, a NAEP math test was given to eighth graders in 37 volunteer States.

This test permits State comparisons for the first time. Otherwise, NAEP has not collected data that permits comparisons between states, districts and schools.

In 1988, a law was passed which prohibited the specific use of comparisons other than the 1990 math test already mentioned.

The Roundtable is considering support in the next Congress for an initiative to amend the NAEP law to allow, not to prohibit, voluntary state, school district and individual school comparisons starting with the 1994 exam.

This is not to drive toward a national curriculum, to track students, or to embarrass some schools or districts.

Rather, this would help identify where the problems are, what they are, and begin to focus attention and assistance where needed.

We simply cannot determine how far we have to go if we don't know where we are in the educational scale now.

We could use your help in securing passage of an appropriate amendment to NAEP with careful conditions relating to the use of the test items and data.

The Roundtable intends to work with your staff on this critical issue.

Fourth, schools should receive rewards for success and penalties for failure.

Assistance must be provided to improve schools that are deficient. The unsuccessful schools must be helped more than punished.

Fifth, school staff must have a clear strong voice in operating their school—selecting its personnel, setting its curriculum, writing its budget.

Sixth, we must do a much better job at staff development, both before teachers and administrators enter the building for the first time and during their entire careers.

Teachers and administrators must become a world-class professional fore if we are to have a world-class educational system.

Seventh, appropriate pre-kindergarten programs, especially for the disadvantaged, to prepare children for school are key.

That begins, logically, with Head Start, which has a proven 25-year track record.

The Roundtable supported your Human Services Reauthorization Act which reauthorized and expanded Head Start.

Mr. Chairman, we know it was tough work for you to pass, but it was easy for us to endorse.

As you may know, John Akers wrote to the President asking him to sign the legislation. As we all know, the President has signed the bill into law, and we are particularly pleased that this expansion took place in your last year as chairman.

More tough work on Head Start almost certainly lies ahead.

The Roundtable intends to work each year through fiscal year 1994 to get the dollars authorized for the program actually appropriated.

This may mean, given the current economic conditions, that we have to make tough choices about other programs, but Head Start is clearly very important.

We are also going to work to ensure that State and local governments do their fair share for this worthwhile program.

Eighth, we must reduce impediments to learning. The schoolhouse must begin to serve the whole child.

We must ensure that children not come to school ill-nourished, sick, and ground down by poverty.

Finally, we should make constructive use of technology to raise the educational productivity of both teachers and students.

Mr. Chairman, a longer explanation of our nine-point agenda is contained in a document I would like to submit for the record. It is only eight pages long, but I think it is a useful expansion on these points.

Chairman HAWKINS. Without objection, that will be entered into the record immediately following your testimony, Mr. Lurie.

Mr. LURIE. Thank you, Mr. Chairman.

Roundtable members are committed to roll up their sleeves and educate themselves.

We have prepared, with the assistance of the National Alliance of Business and the Committee for Economic Development, two publications, one of which you referred to very kindly earlier.

We do have copies of these.

We would be happy to make them available to anyone you would like.

We prepared these publications to help our members and other interested parties get up to speed.

I can leave copies for anyone.

As I mentioned, we want to work with the Congress on an amendment to NAEP and on the actual appropriation of dollars that will drive this nation towards full funding for Head Start.

Another issue in which we could use your help is the National Education Goals Oversight Panel.

This is an area in which the Congress, the Governors, and the President could exert some real leadership.

America needs high goals for its education system. It is the only way we have a chance at preparing our children for the future.

We don't, however, have a chance if the goals process and the goals panel linger on their differences.

The first report is due in September 1991, and the panel must quickly and collectively work on standards, strategies, and a measurement system for the National goals.

Our hope is that the conflicts can be resolved so the focus can shift back to the children all of us want to help.

Last, although no legislation is required, we need to begin to figure out how to re-engage parents in their children's educational development.

Perhaps you have some ideas on how the Federal Government can step out front on this issue, and business will be supportive, starting with our employees.

For the Roundtable alone, the employee work force is ten million in the United States.

Education must begin in the home with parents. They must prepare their children for kindergarten, read to them, listen to them and their questions, make sure they do their homework, ration TV, and get involved at school and work with teachers.

At some point, key decision makers must figure out how to communicate this message more effectively across the Nation.

Mr. Chairman, thank you for this opportunity.

Even though you are retiring from the Congress, I know that you will continue to be a champion for the Nation's children.

We look forward to working with you and your colleagues in Congress on Head Start, NAEP, the National Educational Goals Oversight Panel, and other key education issues.

Thank you.

[The prepared statement of William L. Lurie follows:]

STATEMENT OF WILLIAM L. LURIE

PRESIDENT

THE BUSINESS ROUNDTABLE

BEFORE THE HOUSE EDUCATION AND LABOR

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION

NOVEMBER 20, 1990

Mr. Chairman, Congressman William Goodling, Congressman Steve Gunderson, good morning.

I am William Lurie, President of The Business Roundtable, an association of over 200 chief executive officers of the largest corporations in the United States. Our Chairman is Drew Lewis, Chairman and Chief Executive Officer, of Union Pacific Corporation.

The Roundtable was founded in 1972 with the express intent of involving CEOs in the significant public policy issues facing business and the nation. Education is high on our agenda.

Mr. Chairman, you have dedicated most of your career in public service to improving education for all children. The Roundtable applauds your efforts and your successes.

Yet, much more work remains. The stakes are higher now than ever before.

The Business Roundtable is stepping up to the challenge and wants to work with dedicated elected officials to make our educational system the best in the world.

Thank you for inviting me to explore briefly how business and government can work together to promote very broad reform of America's elementary and secondary school system. Our goal must be to make a quality education -- one that prepares all students for an increasingly advanced workplace and to be winners in life -- available to all students.

Business is a major consumer of the education system. Its shortcomings impact American business competitiveness and productivity. More importantly, the quality of education affects our democratic society and our standard of living.

This is why you are seeing American business roll up its sleeves and join with other interested parties to help make the education system successful. Business does not have all the answers. But, we do have the willingness to work hard.

Most of our companies have extensive records of assistance to education, primarily at the local level. In spite of good

intentions, however, we've found these efforts too fractured, too independent, and too ineffectual.

In short, we must do more.

Many business people I talk with believe our system is floundering. Whether measured by flat SAT scores, dropout rates, or international comparisons where American children are out-performed by our industrial competitors, it's clear we are in trouble.

The question is what are we going to do about it?

The Business Roundtable and its Education Task Force, under the leadership of John Akers, Chairman and Chief Executive Officer of IBM, has launched a ten year 50-state initiative in which CEOs, governors and other interested parties will develop state education policies which will push us towards the national education goals. This is a long term effort and we intend to be around for the long pull.

To date, more than 170 chief executive officers have volunteered their personal time and company resources to work on the initiative in every state and the District of Columbia. The target is an all-encompassing system of reform. To get there, our reform agenda is based on nine essential components of a successful education system.

Our agenda is as follows:

First, the education system and its mission must be predicated on four key assumptions: that all students in our culturally and economically diverse society can learn both the basics and high order skills; that we know how to teach all students successfully; that curricula must reflect high expectations; and that every child needs an advocate -- someone who cares.

Second, the system should not be based solely on inputs but include the outputs -- the results it produces for students.

Third, we must do a better job of assessing students' ability to think and solve problems. We must set high standards -- for all children need them -- and devise effective measurements against them.

One way the federal government can help, in this very difficult area of assessment, is to work on developing a rigorous set of comparisons -- which we now lack -- of the performance of individual schools, school districts, states and nations. Arguably one of the best tools currently available to do this is the National Assessment of Education Progress (NAEP).

In 1990, a NAEP math test was given to eighth graders in 37 volunteer states. This test permits state comparisons for the first time. Otherwise, NAEP has not collected data that permits comparisons between states, districts and schools. In 1988, a law was passed which prohibited the specific use of comparisons other than the 1990 math test already mentioned.

The Roundtable is considering support in the next Congress for an initiative to amend the NAEP law to allow -- not to prohibit -- voluntary state, school district and individual school comparisons starting with the 1994 exam. This is not to drive toward a national curriculum, to track students, or to embarrass some schools or districts.

Rather, this would help identify where the problems are, what they are, and begin to focus attention and assistance where needed. We simply cannot determine how far we have to go, if we don't know where we are on the educational scale now.

We could use your help in securing passage of an appropriate amendment to NAEP with careful conditions related to the use of the test items and data. The Roundtable intends to work with your staff on this critical issue.

Fourth, schools should receive rewards for success and penalties for failure. Assistance must be provided to improve

schools that are deficient. The unsuccessful schools must be helped more than punished.

Fifth, school staff must have a clear strong voice in operating their school -- selecting its personnel, setting its curriculum, writing its budget.

Sixth, we must do a much better job at staff development -- both before teachers and administrators enter the building for the first time and during their entire careers.

Teachers and administrators must become a world class professional force if we are to have a world class educational system.

Seventh, appropriate pre-kindergarten programs -- especially for the disadvantaged -- to prepare children for school are key. That begins, logically with Head Start, which has a proven 25-year track record.

The Roundtable supported your Human Services Reauthorization Act which re-authorized and expanded Head Start. Mr. Chairman, we know it was tough work for you to pass. But, it was easy for us to endorse. As you may know, John Akers wrote to the President asking him to sign the legislation. As we all know, the President has signed the bill into law.

More tough work on Head Start almost certainly lies ahead. The Roundtable intends to work each year through FY 1994 to get the dollars authorized actually appropriated for the program. This may mean, given the current economic conditions, that we have to make tough choices about other programs, but Head Start is clearly very important.

We are also going to work to ensure that state and local governments do their fair share for this worthwhile program.

Eighth, we must reduce impediments to learning. The school house must begin to serve the whole child. We must ensure that children not come to school ill-nourished, sick and ground down by poverty.

And finally, we should make constructive use of technology to raise the educational productivity of both teachers and students.

This is the Business Roundtable education agenda -- goals with which we feel comfortable. We realize it will take enormous effort to implement them.

Mr. Chairman, a longer explanation of our nine point agenda is contained in a document I would like to submit for the record.

Roundtable members are committed to roll up their sleeves and educate themselves. We have prepared, with the assistance of the National Alliance of Business (NAB) and the Committee for Economic Development (CED), two publications to help our members and other interested parties get up to speed. I can leave copies for your review.

We also have asked our CEOs to get into the mechanics of the education process and work closely with all interested parties -- federal, and state officials, educators, parents and community leaders.

As I mentioned, we want to work with the Congress on an amendment to NAEP and on the actual appropriation of dollars that will drive this nation towards full funding for Head Start.

Another issue in which we could use your help is the National Education Goals Oversight Panel. This is an avenue in which the Congress, the Governors and the President could exert some real leadership.

America needs high goals for its education system -- it's the only way we have a chance at preparing our children for the the future.

We don't, however, have a chance if the goals process and the goals panel linger on their differences. The panel must

collectively work on standards, strategies and a measurement system for the national goals. Our hope is that the conflicts can be resolved so the focus can shift back to the children all of us want to help.

Last, although no legislation is required, we need to begin to figure out how to re-engage parents in their children's educational development. Perhaps you have some ideas on how the federal government can step out front on this issue. Business will be supportive, starting with our employees. For the Roundtable, the employee workforce is 10 million in the U.S.

Education must begin in the home, with parents. They must prepare their children for kindergarten, read to them, listen to them, answer their questions, make sure they do their homework, ration TV, and get involved at school and work with teachers. At some point, key decision makers must figure out how to communicate this message more effectively across the nation.

The plain fact is: if we as parents and grandparents, don't have the time or the energy or the ability or the inclination to do these things, then we as a nation have our priorities dead wrong.

Mr. Chairman, thank you for this opportunity. Even though you are retiring from the Congress, I know that you will continue to be a champion for the nation's children. We look forward to

working with you and your colleagues in Congress on Head Start, NAEP, the National Education Goals Oversight Panel, and other key education issues.

Thank-you and I will answer your questions, now or later as you prefer.

Chairman HAWKINS. Thank you, Mr. Lurie.

The next witness, Mr. Sol Hurwitz, is President of the Committee for Economic Development.

STATEMENT OF SOL HURWITZ, PRESIDENT, COMMITTEE FOR ECONOMIC DEVELOPMENT

Mr. HURWITZ. Mr. Chairman, I am pleased to be here this morning representing the 250 national business leaders and educators in the Committee for Economic Development.

I want to talk this morning about the role of education, the role of business in education reform, and I want to say first what a privilege it is to be testifying before you, Mr. Chairman.

Your long and distinguished career in Congress has been defined by your love of children and your deep care for their education and their future and, by extension, for the future of the Nation, so we are all in your debt.

I am pleased also to share my time on this panel with some very good colleagues from several of the Nation's major business organizations.

Over the years, CED has worked closely with all of these groups and individuals, most recently as a member of the Business Coalition for Education Reform, as Mr. Kolberg has stated.

I am here today because the business community has a clear and compelling self-interest in working for the improvement of our Nation's public education system.

As a business organization, the Committee for Economic Development believes that developing more productive human resources is the single most important action our Nation can take to regain its national competitiveness.

All the technology, all the natural resources at our disposal, all of our military might will count for little without the human intelligence, imagination, and hard work to put these tools to use.

America cannot be competitive unless we succeed in educating all of our children to their highest capacity, but when we look at the new generation growing up, we are worried that they won't measure up.

A large percentage of children now coming through the public education system will not develop the skills to make it in the mainstream.

The 25 percent who fail to graduate each year from high school will be virtually disqualified from decent paying years, and nearly as many who do graduate will still lack the basic literacy skills and work habits they need to gain a secure foothole in the work force.

Those who are falling further and further behind are mostly the poor, members of minority groups, and children growing up in single parent homes.

More children are being born into poverty and to single mothers than ever before.

Between 1970 and 1987, the poverty rate for children increased by nearly one-third.

In 1989, close to 25 percent of children under the age of six lived in poverty and one-fourth of all births were to unmarried women.

Although the majority of poor children are white, children who are black, Hispanic, and Native American suffer a disproportionate share of poverty and are more than two to three times as likely to be poor as a white child.

In past times, we ignored the problems of disadvantaged children or gave them low priority.

Our economy got away with this partly because the available labor pool was large enough and partly because unskilled manual labor and low-skilled manufacturing jobs were sufficiently plentiful and well paying to absorb those without the higher level skills, but we can't afford to do that any longer.

Our economy can't afford it and our society can't afford it.

In 20 years, just as the baby boom generation begins to retire, our Nation could face a labor shortage severe enough to stifle business at every level.

Labor force growth, which averaged 2.9 percent per year in the 1970s, will average only 1 percent in the 1990s and could actually decline in the beginning of the next century.

At the same time, there will be fewer working age people to support the burgeoning retired population, straining our Nation's public and private retirement systems.

The bottom line is that we can't waste time making our Nation's human resources more productive.

The first step to a more productive work force is to ensure that the next generation will be better prepared, not only for work, but as citizens, as voters, and as parents.

For the past eight years, the leading business executives who serve on CED's Board of Trustees have made education and the needs of children a top priority.

We are very proud of the fact, Mr. Chairman, that CED's two recent policy statements, "*Investing in Our Children*" and "*Children in Need*" have had a major impact on education reform.

I have executive summaries of those two chapters—of those two reports with me.

Much of the impact has been due to the dynamic and inspirational leadership of CED's Chairman Brad Butler, the retired chairman of Procter and Gamble, and I know that Mr. Butler has testified previously on this issue before this committee.

Both of these reports, "Investing in Our Children" and Children in Need," helped to focus National attention on the disadvantaged and made early intervention a key educational reform strategy, but despite the impact of these two reports, the trustees of CED do not believe that their work is done.

On the contrary, they believe we need to continue to drive the reform agenda if the real work of restructuring our educational system is to get finished.

As our next contribution to this effort, Mr. Chairman, CED recently completed a new policy statement to be released early in 1991 which focuses on the need for an integrated approach to child development and education.

It is called "The Unfinished Agenda, A New Vision for Education and Child Development."

It was prepared by a CED subcommittee chaired by James J. Renier, the Chairman and CEO of Honeywell, and it is a report

that examines carefully the unfinished agenda, the things that need to be done, in the area of child development and education reform.

The argument in this report is that the Nation has only begun to make progress toward our goal of improving educational achievement and patience is needed to sustain the momentum of reform.

Nonetheless, too many otherwise well-meaning reform efforts have been piecemeal and fragmented, and many promising strategies have been stalled by seemingly insurmountable barriers to change.

The danger is that voters, educators, parents, and policy leaders may lose patience before the hard work is done.

Many of the conclusions in the unfinished agenda are based on a two-year research study on the impact of business involvement in education reform.

That study, Mr. Chairman, was prepared by P. Michael Timpane, the President of Teachers' College, Columbia University, which was commissioned by the committee.

One of Dr. Timpane's conclusions is that the involvement of business has been essential in providing leadership and support and, in fact, has made the difference between success and failure in many state and local efforts.

CED's new report, "The Unfinished Agenda," calls on the Nation to develop a comprehensive and coordinated human investment strategy that redefines education as a process that begins at birth and recognizes that the potential for learning begins even before birth.

Our focus is child development. If children develop successfully in their earliest years, they are more likely to be effective leaders in later years and to become self-supporting and independent adults.

Although CED remains a passionate supporter of bottom-up reform, we are also well aware that not all of the necessary changes can be made at the school-building level.

Some can't even be made at the district level, although a more farsighted approach to school governance on the part of local boards is certainly needed, and we will be examining this issue in a future study.

Much of the policy direction, the enabling legislation, and the funding allocations are made by lawmakers at the State level.

The need for action at the state level is of such paramount importance that CED has long urged business leaders to become a strong advocate for children in the political process.

Business needs to speak for the future, and that means for our children.

We were pleased when the National Business Roundtable took up this challenge and made an unprecedented 10-year commitment to working with governors and state legislators to bring about innovative and lasting change in education.

As Mr. Lurie has said, the CED participated in the preparation of the primer that you mentioned in your opening remarks, CED has pledged its support and its assistance to this very important Business Roundtable effort.

We also urge business to remain involved in hands on projects in schools and to expand this involvement to early childhood education and child care programs.

Business can be particularly helpful in encouraging its employees to be involved with their own children's education and development and to provide incentives to employees to volunteer.

I can't tell you how strongly I support the views of Mr. Lurie when he said that parents and families are at the heart of this endeavor, however, we also believe that the first obligation of society is to guarantee a quality education to all children, not just to the lucky few who happen to live in the right neighborhood or who have parents who can work the system on their behalf.

I believe that what we must do now is focus our energies on restructuring, not just our schools, but our entire system of human investment.

Now what exactly does this mean?

First, it is becoming quite clear that the schools by themselves cannot make all the changes that are necessary to ensure that all children become educated.

Profound social change has resulted in more and more children being born at risk.

The primary place to start is by strengthening the family. The family is the center of every child's life, and any intervention strategy that does not include parents is likely to fail.

Almost all parents want the best for their children. Unfortunately, increasing numbers of parents simply do not know how to provide the care and nurturing their children need or do not have the resources required.

A growing number of such parents are teenagers, children who are at risk themselves.

We need to strengthen families by providing parents with the tools to do the best job they can.

We should be sure that our efforts are adequate for the task, not piecemeal, but comprehensive and coordinated.

We need to stop looking at children and families in terms of their disfunction and instead we must look at the dynamics of the family itself, a whole child and a whole family approach.

We also need to break down the formidable barriers to communication and cooperation among the multitude of business and private agencies which should be there to help children and families, but which sometimes only succeed in putting obstacles in the way.

I am sure you are familiar, Mr. Chairman, with the facts about California. In California there are 160 programs serving children and youth that are overseen by 37 separate agencies and seven different departments. The best working model for this kind of community-wide, collaborative approach is the success by the program in Minneapolis.

This is a program in which Mr. Renier, who chaired our recent education effort, is involved and is overseeing and I also understand that Milwaukee has recently begun a similar project to meet the needs of young children, a program called Smart Start, and I commend this effort and look forward to following its progress.

At the same time, we better prepare children for school, we also need to prepare schools so that they can educate all children, no

matter what their social, economic or cultural backgrounds may be.

Schools must be effectively restructured to reflect the new educational and social mission they have been assigned and they will need the appropriate resources to carry out their responsibilities.

CED believes that the Federal Government has a critical role to play in providing the kind of leadership that makes child development and education top national priorities. We believe that the Federal Government should confirm its commitment to ensuring that the disadvantaged have access to quality education, and we believe that the full funding of Head Start, which Congress authorized this year, should continue to be a Federal priority when it is time for appropriations.

In addition, the Federal Government should ensure adequate funding for those programs that have proven to be good educational investments, such as the Women's Infants, and Children's Nutrition Program and childhood immunizations.

Finally, the Federal Government should help states and localities in their efforts to coordinate child development, education, and human resources policies by loosening some of the regulations governing Federal funds that hamper their wise and effective use.

The future of America depends on the abilities of its people. Without a more productive work force, we cannot sustain nor can we improve the Nation's standard of living. And we can't compete.

Our society and economy have changed profoundly in the past 20 years. These changes will overwhelm us unless we are willing to transform our system of human investment to ensure that every child is prepared to be a productive citizen. If we fail to nurture and educate all of our children, we will close the doors of opportunity to a growing number of young people and exclude them from the mainstream of American life. We cannot afford the cost of failure—it is enormous—for at stake is the survival of our free enterprise economy and our democratic way of life.

Thank you, Mr. Chairman, for this opportunity to appear before this committee and let me say again how much we applaud your efforts on behalf of education and the children of this country.

Chairman HAWKINS. Thank you, Mr. Hurwitz.

The final witness is Mr. Barry Rogstad, President of the American Business Conference.

STATEMENT OF BARRY ROGSTAD, PRESIDENT, AMERICAN BUSINESS CONFERENCE

Mr. ROGSTAD. Thank you, Mr. Chairman.

As President of the American Business Conference, I am very pleased to be with you today and thank you for the opportunity to address this committee on this important topic. I would like to focus my remarks on a particular project that the American Business Conference is engaged in and it really reinforces the statements that my colleagues have made here today. I think we would all agree that it is the type of project that all of us in the business community think we need to emphasize as we move ahead here.

The American Business Conference is comprised of 100 chief executive officers of America's most successful, mid-size companies.

These companies have enjoyed average annual growth rates of 15 percent or more over the past decade, jointly employ over half a million employees, and we believe represent the best of American entrepreneurship. Founded in 1981, ABC is committed to the promotion of public policies to encourage growth, job creation, and a higher standard of living for all Americans.

Traditionally, we have focused on issues of capital formation but as we have begun to examine what the future determinants are of American competitiveness, it has become increasingly evident that improving the investment in human capital may have as much to do, if not more to do with long-term improvement in labor productivity in this country as does investment in plant and equipment.

I would like to join my colleagues in emphasizing that we think that labor productivity over time and America's competitiveness are threatened by an increasingly unskilled domestic labor pool.

I think that that is a real and growing problem and I think that says something about the seriousness and long-term commitment that the business community has in terms of education reform, that these are no longer issues that motivate our humanistic and altruistic motives, but go to the bottom line of the future of American business and says something about the long-term commitment we are talking about today.

As our members asked themselves what was the particular aspect of education that they felt the American Business Conference should focus on, we felt it had to go above our individual projects which most members of the business community were involved in and rather begin to look at a systemic, broad-based program.

We were struck by the whole issue that had to do with the motivation and the awareness of students in high schools about potential job placement after their graduation or upon leaving high school.

We were struck particularly with work done by John Bishop at Cornell that emphasized the point that when you compare what we as a society emphasize and the value that we place on our high school students making the successful transition into college, and when you contrast that with the lack of values that are placed on students that are in the process of transitioning to the work place, the quotes of motivation and the achievement on the part of those students begin to answer themselves.

With that background in mind, we decided to focus on a program that worried about school to work transition and to begin to ask ourselves what was the responsibility of the business community in terms of examining its own behavior and how, in fact, it could determine how best to encourage and motivate students to become and think about as potential members of the work force.

In that regard, the American business conference inaugurated a project last September which we call the Vital Link.

Our intent here was to focus on the efforts that were going on in existing communities that involved not only businesses but community leaders and leaders of the education institutions and ask what, in fact, business could do as businesses to complement and reinforce some of these activities.

We feel that the project that we have developed here in Vital Link is complementary to all of the efforts that are going on.

I would like to focus on what, in fact, that project is about. Essentially, Vital Link asks that business look at its own behavior and make some changes to begin to impact the motivation of students.

There are three basic steps here—first of all, that business must determine the skills and standards needed by its future employees.

We found that it is very easy as business to say, yes, we know what we are looking for in entry work force from students, but when we examined that issue, we found that the question boiled down to do you have a diploma or don't you, and that we were not being as precise as we should be in determining what our own hiring standards were and successfully communicating those into the schools and to the students.

So we think that is an essential first step in meeting the objectives of this project and we applaud the efforts going on in the SCANS Commission and other activities within the Federal arena that are reinforcing this issue.

It is extremely important how business communicates these criterion for success so that students and teachers will want to know and participate early on in what it takes for admission into the work force.

Having standards is not sufficient. We find that once those standards are stated and communicated into the schools, there is the question of how you reinforce the image and in a positive attitude in the work place, and how you begin to build on the part of the students an awareness of what the work environment is all about and begin to move towards positive resolutions of issues that are on their minds.

Of particular note is an issue that Bill Kolberg mentioned that I think is particularly important, and it is the question of assessment. Once we have communicated a set of skills that are needed, how do we help and enable all students to assess themselves and to be assessed against that set of standards?

And while there is some very interesting breakthrough work being done in this area by the Congressional National Research Service, Educational Testing Service, and others, I would suggest that from our perspective that perhaps the most important link in this school-to-work transition is the capacity to develop assessment tools that would enable all students to help put the best foot forward in defining their skills and capabilities against these job criteria.

At the moment we are very much still dependent upon pencil and paper, multiple choice tests while, in fact, as you are well aware, those are not the kinds of tests that are designed to maximize the ability of students from diverse backgrounds to put their best foot forward.

So I would suggest in terms of a specific role that we feel that could be addressed at the Federal level is that R&D in assessment techniques, in assessment tools to help actualize the potential of all students that are trying to respond to the National standards is an absolutely essential ingredient to further progress.

Finally, and I think this is particularly important, when we are talking about student motivation, we are talking about assessing a student as an individual, and this part of our project really requires some change in the behavior on the part of individual businesses.

That goes to the point that we think that once a student has demonstrated relative merit on these standards, then, in fact, employers should require and reward personal and academic achievements of the students.

This is going to take considerable increased time on the part of business. We are going to have to deal with students as individuals,

We understand that we are going to need to bring students into the work place in summer employment and gradually introduce them to what, in fact, the work environment is all about.

As I said, in September of this year, we launched the Vital Link project and we launched it through the initiation of three demonstration projects. There are three sites involved, one in New Jersey, which allows us to build off a program that is now State-wide within New Jersey called the Ten Thousand Jobs Program.

This is a program where, in fact, the State of New Jersey has established what they call a passport for employment which indicates a minimal level of responsiveness to criteria that students should achieve, and having achieved that, this program seeks to help place them in productive employment.

Our second project is in Fort Worth, Texas, which is part of a program called C3, which involves a very interesting alliance of the education community, the business community and community leaders at large, and their focus was to assess skill requirements and then to begin to look at curriculum reform and then come back to the business community and ask "Are these reforms producing the skills necessary for employment?"

We became involved and said we felt that curriculum reform and the active participation of the business community in recruiting these students in working with them should go hand-in-hand, that, in fact, the overall outcome would be much improved on that basis, and they have joined us in this project as well.

Our third site is in Orange County. We have taken four school districts, involved a couple of universities in the California school system and a major portion of the business community around Irvine in starting a grass roots, bottom-up problem to make this happen.

In addition to helping us with this, we have built a steering committee of national leaders from business education in the community. My colleagues on this panel are all participating in this program.

In addition, we have many of the representatives of the education community. Mr. Geiger and Mr. Shanker are working with us on this as well.

We intend to try to demonstrate that by bringing together these interests which obviously define a common goal and begin to facilitate the school to work transition, that, in fact, business is doing its part that it is most capable of doing.

We are not directly involved in the education process, per se, in this program. We are saying business is business is business, and

that is worrying about where, in fact, our most productive labor force is going to come from.

We understand there are no quick fixes. This program focuses on students in the 7th and 8th grades to start off and we will track them all the way through graduation from high school.

I know the purpose of your hearing today was to ask us in the business community and to determine what the interests and activities of business were with respect to education reform. But all of my colleagues here have mentioned our Business Coalition for Education Reform. We are looking to hold a conference on the Hill sponsored with us by the Columbia Institute where, in fact, we will have the chance to invite you and Members of Congress to the table and a few governors we hope so that we can find exactly where your agenda and interests are and how we can best work together.

I would like to join my colleagues, Mr. Chairman, in thanking you for your longstanding service to the country in the interests of education and children.

I would like to introduce into the record, if appropriate, a copy of or booklet on the Vital Link.

Chairman HAWKINS. Without objection, the booklet referred to, the Vital Link, will be included in the record.

I would also suggest that the two executive summaries Mr. Hurwitz, I think, referred to, "Investing in Our Children," and "Children in Need," also be included to round out the documents.

[The prepared statement of Barry K. Rogstad and the booklet entitled "Vital Link" follows:]

TESTIMONY BEFORE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND VOCATIONAL EDUCATION
OF THE
HOUSE COMMITTEE ON EDUCATION AND LABOR

BARRY K. ROGSTAD

PRESIDENT, AMERICAN BUSINESS CONFERENCE

"American Business and Education Reform"

Tuesday, November 20, 1990

Good morning Mr. Chairman and distinguished members of this subcommittee. My name is Barry Rogstad and I am president of the American Business Conference. I am pleased to be with you today and thank you for the opportunity to address this Committee on a topic of such urgency and national significance as education.

The American Business Conference is comprised of 100 chief executive officers of America's most successful, midsize companies. These companies have enjoyed average annual growth rates of 15 percent or more over the past decade, jointly employ over half a million employees, and represent the best of American entrepreneurship. Founded in 1981, ABC is committed to the promotion of public policies to encourage growth, job creation, and a higher standard of living for all Americans. Long-term improvement of living standards comes only with increased productivity, and our members know first-hand that investment in human capital is as important as investment in plant and equipment.

As you know, labor productivity and America's competitiveness are threatened today by an increasingly unskilled and unprepared domestic labor pool. For this reason, business interest in education goes well beyond our humanitarian concern relates directly to the bottom

line. If America is to maintain, and in many instances regain, its competitive edge, the country as a whole must invest in a "world-class" workforce.

To that end, ABC supports initiatives to promote educational excellence at all levels. In fact, the majority of ABC companies are individually involved in an array of local education efforts and commit millions of dollars annually to these initiatives as well as training and retraining employees. Yet, the members of ABC believe the training of America's workforce cannot be "ad hoc," rather we must have a systematic method of addressing the quality and productivity of our future employees before they enter the workforce. We must look closely at the upwards of $45 billion that American companies spend annually on basic skills training, and retraining, and balance this with an investment in these individuals well before they reach the shop floor.

All students today are employment-bound, it is a matter of when they enter not if they are going to enter the workforce. Most of our national attention has been on those students entering the workforce after post-secondary and graduate study. We in society, generally, have overlooked the needs of the majority of students who go to work directly after high school, emphasizing, instead, the achievement of college-bound students. While the preparation we give the college-bound is by no means perfect, the gap between the support, direction, and incentives we offer college-bound versus employment-bound youth is startling.

Look at the statistics. Nationally, about one out of every four 18- and 19- year-olds has not completed high school. Another 40 percent complete four years of high school only, and do not go on to higher education. The majority of our nation's high school students enter the workforce immediately after, or prior to, graduation. The William T. Grant Foundation calls these young people "The Forgotten Half," the approximately 20 million 16-

24 year-olds who are not likely to embark upon undergraduate education. For these young people, unemployment rates are higher, and earnings potentials are significantly lower than for those young people who go on to college. While high school graduates have lifelong earnings approximately $250,000 greater than dropouts, graduates of four-year colleges have lifetime earnings $450,000 greater than high school completers and $700,000 more than high school dropouts. More than half the students in any given school are likely to either drop out before graduation or graduate and continue to the workplace, yet society as a whole has overlooked the needs of this constituency.

As a result, too few young people know or understand the value of a good education. We have all been too lax in making students and their educators accountable for the quality of their education. While business today still can have its pick of available entry-level workers, this option will not be available a decade from now. All high school students will be potential employees, and business will not have the luxury of waiting four or five years after a student has graduated to pick them up for employment. *By working with students today to motivate their school behavior and to make them accountable for their performance, business makes an investment with tremendous returns.*

ABC is committed to uniting business, education and the community in order to create a framework for business/student interaction. Our effort is designed to complement the many effective initiatives already in place at the local level. To that end, ABC has initiated THE VITAL LINK, a program to develop a systematic means of communicating with students the skills and abilities needed for employment, the relationship between school and the workplace, and an incentive structure to reward accomplishment with better jobs based on the relative merit of personal achievement.

THE VITAL LINK asks that business look at its own behavior and make some changes to begin to impact the motivation of students.

MOTIVATING STUDENT BEHAVIOR: STEPS FOR BUSINESS TO FOLLOW

First, business must determine the skills and standards needed by its future employees.

We have not been clear to ourselves, and certainly have not made clear to educators what it takes to succeed in tomorrow's workplace. What skills, knowledges, aptitudes and attitudes will be needed on the job? How do these relate to schools' curricula?

Second, business must communicate these criteria for success, so that students and teachers will want to know and participate early on in what it will take for "admission" into the workforce.

Business should earmark time and resources to communicate with students, to share management practices with educators, and to welcome both students and educators at companies, so they can learn, first-hand, the relationship between studies and workplace careers.

College-bound students, the minority of the overall school population are given explicit criteria for success early enough to motivate and guide them toward educational achievement. For the employment-bound student, there is no such roadmap, nor specific payoffs for their achievements. Just as our current workforce needs a clear career track to follow, and is motivated by higher salary and other benefits to move up the ladder, so, too, our future employees need guidance and incentives to help

them prepare for the workforce. It is basic human nature that we are driven to excel when motivated by a goal or payoff for accomplishment.

Albert Shanker, President of the American Federation of Teachers, has written that, "Adolescents are like adults: they do exactly as much as they have to do in order to get what they want." Unfortunately, for many of today's youth, that means no more than working for the minimum required to receive a diploma. Often that translates into hours logged rather than subjects mastered and skills developed.

This should come as no surprise -- after all, as employers, all we currently ask of high school graduates is a copy of their diploma! We have not systematically required qualitative information, as does a college admissions officer, to distinguish between high achievers and those merely getting by. We have not actively demonstrated the correlation between excellence in schoolwork and the ability to land a better job. We should provide clearer incentives, in terms of job quality, salaries, and awareness of career options for those who do well in school.

Finally, employers should require and reward personal and academic achievements of young people.

Just as college admission is based on a thorough review of academic and extracurricular accomplishments, employers should institute similar "admissions" analyses when making entry-level hiring decisions. We should make the effort to recognize individual attributes and merits. Employment-bound students should know

that their entire portfolio of achievements counts -- both in and out of school, not just the results of multiple choice tests. And, just as college admissions officers serve as guidance counselors to college-bound students, prospective employers can often serve as role models and guidance counselors to employment-bound students.

Employment-bound youth will have the boost they need to work harder, if business can: 1.) clearly articulate those critical standards; 2.) establish entry-level "admissions criteria" that discriminate between time put in and achievement; and, 3.) apply rewards and incentives directly related to performance and merit. Business in turn will gain the workforce needed to be productive and competitive.

In September 1990, ABC launched three demonstration projects of THE VITAL LINK in Fort Worth, Texas, Orange County, California, and Morristown and Montclair, New Jersey. The selection of multiple sites allows a test of ABC's hypothesis in three diverse geographic locations with unique approaches to business/education interaction, and for cross-fertilization of experiences and insights across projects. The desired outcome of the demonstration projects will be replication by others of an effective model on the broader, national level. Within each demonstration site, a defined business community and school community -- including community colleges, vocational education schools and four-year institutions -- have aligned to design a systematic means of motivating student achievement at the high school and junior high level.

In Fort Worth, THE VITAL LINK is a component of the larger local initiative C^3 between the Fort Worth Independent School District, the Fort Worth Chamber of Commerce and the community at large. ABC member Pier 1 Imports is key to this effort. In New Jersey, THE

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VITAL LINK combines state-wide interest through the state's Department of Education 10,000 Students...10,000 Jobs (10K) initiative, a state-wide program offering *Passports to Employment* to students fulfilling workplace-oriented criteria. Two school communities – Montclair and Morristown – have joined the broader business community through established networks of business leadership to implement THE VITAL LINK in New Jersey. With leadership from ABC member Automatic Data Processing, and through the Partnership for New Jersey, the Morris County Chamber of Commerce Business & Education Together initiative, the national Business Roundtable and others, THE VITAL LINK New Jersey affords the project involvement of the state's largest employers.

Orange County, California, allows an exciting opportunity to join four school districts with the business community in a county-wide initiative. The school districts of Huntington Beach, Irvine, Laguna Beach and Santa Ana will work together with a consortium of business leaders to form a new county-wide partnership.

The Office of University Advancement at the University of California, Irvine, is playing a lead role in the organization and development of the local project. Other school partners in the initiative include: the Coast Community College District, the Regional Occupation Programs -- school districts serving the entire county and offering vocational education programs; and, the Orange County School Boards Association. Others may be identified as the program is developed.

THE VITAL LINK in Orange County began with individual or small group meetings between chief executives and superintendents as well as other school leaders. These interactions have allowed an opportunity for the chief executives of business and the schools to speak frankly about education in the county, the role of business in reform efforts, and

needs that THE VITAL LINK can meet in these particular school environments.

Western Digital Corporation, an ABC member, has provided initial guidance to THE VITAL LINK and will continue this involvement in the project along with other ABC members, and the much broader Orange County business community.

While the sites work independently on the local level to implement THE VITAL LINK, they are united nationally by the umbrella of a National Steering Committee. The NSC, comprising the leading national business and education organizations, provides insight and guidance to the initiative as well as the opportunity for cross-fertilization between the sites. In fact, my colleagues on this panel, Committee for Economic Development, Business Roundtable and National Alliance of Business, have been critical to the design and development of THE VITAL LINK and will continue to work with us as we proceed. The NSC provides guidance, oversight and breadth of knowledge and experience that no one site could afford.

ABC's dedication and commitment to this project are long-term as we know that there are no "quick-fixes" to human behavior and learning. While short-term evaluation is critical, it will take five to eight years to determine the direct impact of THE VITAL LINK on students as the program begins this year targeting seventh and eighth graders as they prepare for high school. These students will not enter the workforce for five to six years but the investment must begin today.

As business works to motivate students by assessing individual achievement and attainment of established skills and standards, it is clear that existing assessment technologies are far from adequate. Today, pen and paper tests are given to students with little incentive to put one's best into the process. These tests measure what a student is incapable of doing

as much as what he or she is qualified to do, and there is no sensitivity to provide an array of assessments to tap each student's talents. Today's tests also have no capacity to measure the more intangible talents and qualities which business continues to identify as basic skills, such as the ability to be a life long learner, the ability to work in teams, or the ability to be communicative.

Clearly, the work of the Labor Secretary Elizabeth Dole's Commission on Achieving Necessary Skills is to be commended as are the efforts of private testing organizations such as the Educational Testing Service, Collegiate Research Services and American College Testing, but the research and development for appropriate assessment mechanisms must go further. The Federal government can play a leadership role in providing the research and development capability to allow educators, business and the country at large to measure the individual merits of our students. This is not a simple task, nor does it lead to one right answer. Assessment techniques must enable all students to highlight their unique abilities and skills, and their diverse background and experience. As long as the demands of our society and industry continue to evolve at ever increasing rates, so too must the way we assess relative performance. We in business can no longer look beyond the needs of our nation's students. We call on you to assist in our efforts. Expanding the research and development capacity regarding multiple assessment techniques is one way to do so.

Thank you for this opportunity, and I would be pleased to discuss the project with you further. I offer the American Business Conference booklet further detailing THE VITAL LINK for the record.

ABC

The Vital Link: Motivating Student Achievement

The Vital Link

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Foreword

As an organization of 100 chief executives of the fastest-growing midsize companies in America, we at the American Business Conference are especially aware of the need for a highly competitive and competent workforce if this country is to maintain and, in many instances, regain its competitive edge. But if our students are not prepared for the workplace of tomorrow, we are all partially to blame.

We must understand that schools need the same leadership, expertise and time to effectively manage change as we in the corporate world demand when restructuring. There is no one answer nor single program that will solve all that ails the school community, but we in business should assume our share of responsibility. We should work together with educators and our community leaders to coordinate our efforts and to instill long-term, systematic communication with our future employees.

Motivation is the key to hard work. We as leaders of business must be motivated if we are to profit and we must provide incentives for our employees to excel. So too must we work with our future employees to motivate their achievement in school. We in business can make a substantive contribution by collaborating with educators to show students the skills and standards required in the workplace and their significance and post-secondary education options. We can help students understand the connection between school and workplace careers, and we can require and reward personal achievement. These are the premises and principles behind THE VITAL LINK.

The ideas presented in this booklet have significant support from all elements of the business and education communities and we urge others to join with us in this effort to improve the school-to-work transition for today's youth. We look forward to the challenge and the opportunity to play our part in improving American education.

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Student Learning and American Corporate Survival

Long-Term Profitability Demands a World-Class Workforce

Since its founding in 1981, the American Business Conference has endorsed policies which promote economic growth, job creation and a better standard of living for all Americans. Traditionally, this has meant a focus on fair and equitable international trade policy and issues of fiscal concern such as the cost of capital and the level of national savings. But today, the long-term profitability and international competitiveness of American business rests as heavily on the availability of highly qualified people to fill positions at every level. And, the availability of a highly qualified workforce depends upon the quality of our nation's public education system, and our ability to motivate our students to higher achievement. Therefore, the 100 chief executives of the nation's most successful, midsize companies who comprise the American Business Conference recognize the vital link between student learning and American corporate survival.

The Value of a Good Education

As the statistics show, nationally, about one out of every four 18- and 19-year-olds has not completed high school. Another 40 percent complete four years of high school only, and do not go on to higher education. The majority of our nation's high school students enter the workforce immediately after or prior to graduation. The William T. Grant Foundation calls these young people "The Forgotten Half," the approximately 20 million 16-24 year-olds who are not likely to embark upon undergraduate education. For these young people, unemployment rates are higher, and earnings potentials are significantly lower than for those young people who stay in school. While high school graduates have approximate lifelong earnings $250,000 greater than dropouts, graduates of four-year colleges have lifetime earnings $450,000 greater than high school completers and $700,000 more than high school dropouts. Too few young people know or understand the value of a good education.

Not Just Education Reform: Business Reform, Too

While many schools, states and businesses are working to reform, we have overlooked the needs of the large majority of students who go directly into the workplace after high school. Emphasizing, instead, the achievement of college-bound students. While the preparation given the college-bound is by no means perfect, the gap between the support, direction, and incentives we offer college-bound versus employment-bound youth is startling.

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ABC Research Reveals Need for Business-Student Communication

"In nearly every secondary school in America there is a huge gap between what youngsters are capable of learning and what they are learning."

Dr. John Bishop
Cornell University

ABC launched an Education Task Force in early 1989, chaired by John Rollwagen of Cray Research and Ray Stata of Analog Devices, to determine how the organization could best make a qualitative contribution to the education debate. The Task Force found that while ABC executives were committed to ensuring the highest standards for all levels of education and were engaged in individual programs ranging from Head Start to worker retraining, the initiatives were ad-hoc and reached relatively narrow audiences. There had been no effort either by ABC members or the business community at-large to implement systematic change regarding the relationship between business and its future employees.

While the Task Force recognized the growing needs of early childhood development as well as higher education, it concentrated on specific needs of high school students and the motivation they receive from the business community to excel. Influenced by the work of Dr. John Bishop, Assistant Professor at Cornell University's School of Industrial and Labor Relations, the Task Force looked at the relationship their companies had with their future employees, specifically those students unlikely to attend a college or university.

Through extensive research and surveys of ABC members, the Task Force found that:

- Curricularly, no formal means of communication existed between companies and high school students.
- When there was interaction, it was on an individual school basis and usually rewarded academic merit for college-bound students.
- Employment-bound students are generally not aware of the skills they will need to enter the workforce, nor the types of career and post-secondary education opportunities available to them.
- Businesses are unclear as to what they demand of their entry-level employees.
- Appropriate performance-based assessment techniques do not exist to determine student skill levels and individual competencies.
- Entry-level employees are not hired based on a complete record of personal-school achievement.
- When hiring, business rarely asks for more than a diploma, signalling students that no more is needed to get a job.

The resulting effect is that the majority of high school students go through with little guidance or understanding as to why they should excel academically, or in many instances, why they should even remain in school.

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ABC Launches Bold New Program: THE VITAL LINK

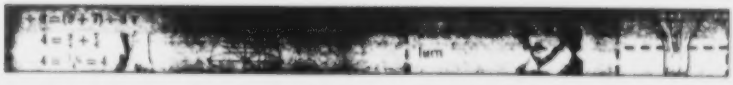
ABC's Education Task Force developed a bold new program — THE VITAL LINK — to target the information flow between business and high school students and the need for business to not only define the correlation between student achievement and employment, but to reward personal excellence.

"The entire graduating class appears to employers as one undifferentiated mass of unskilled and undisciplined workers."

Dr. John Bishop
Cornell University

The Task Force recognized that students can be motivated to achieve in school if shown tangible rewards for meeting defined criteria. Assessment of student learning which identifies individual talents and performance levels must also be developed so that each student's potential can be realized. It is up to business to initiate a systematic communication process to motivate student achievement specifically. THE VITAL LINK calls on business to:

- Identify standards and skills required of entry-level employees.
- Develop performance assessment mechanisms to determine individual competencies.
- Establish a fixed set of employment-based incentives for specific levels of accomplishment.
- Communicate such criteria to students at formative high school years and continuing through graduation.
- Actively demonstrate the correlation between school and work.
- Alert students to the level of accomplishment necessary for an array of career and post-secondary education options.
- Require detailed student records for employment decisions including grades, teacher recommendations, attendance, work history and extracurricular activities.
- Offer entry-level jobs based on complete school history, and.
- Reward accomplishment with higher pay and faster career advancement.



Motivating Student Achievement

Premises and Principles

THE VITAL LINK is based on the guiding principle that individual students can be motivated to learn in school if they understand the relationship between school achievement and success in the workplace. If students know the demands that employers will make of them as they enter the workforce and are shown tangible rewards

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for meeting established criteria, their positive achievement-oriented behavior in school can be stimulated. By altering their behavior in school to meet certain standards, students can in turn expect greater financial and career success. The final outcome for most students is employment, whether it follows high school, college or graduate study. By articulating employment criteria and rewarding individual achievement, students can be motivated to reach an array of options which previously did not exist for them. Whether the goal becomes successful employment, community college admission or acceptance into a four-year university, the student gains the ability to choose.

Today, students who are headed for the workplace have received little if any encouragement or guidance during high school which enable them to better learn and prepare for a job. Those bound for college have the support, direction and encouragement from parents, teachers, advisors, and admissions officers, often as early as pre-school. This same indoctrination and routine explanation of why schoolwork pays off does *not* occur for those who do not wish to continue their education immediately after high school.

Theory Behind THE VITAL LINK

The research and writing of Dr. Bishop, on the topic of student motivation and learning, have been critical to the development of ABC's framework for THE VITAL LINK. Following is a synopsis of his key premises. A more extensive excerpt from Dr. Bishop's paper, "Motivating Students To Study - Expectations, Rewards, Achievement," published in the November 1989 National Association of Secondary School Principals *Bulletin*, is provided in Appendix A.

"Most American students perceive very little connection between how much they learn and their future success in the labor market."

Dr. John Bishop
Cornell University

Dr. Bishop cites a lack of incentives for effort and learning accomplishment, due to three factors: 1) peer group influence which actively discourages academic effort and achievement, 2) college selection criteria which use grade point averages and class rank, which are not relative to an absolute, external standard and which result in a zero-sum competition among classmates, and a disincentive to take more rigorous courses, and 3) a lack of apparent labor market and economic rewards for high school effort and achievement.

He points out that "Young people are not lazy. They work very hard in their jobs after school and on the football field. In these environments they are part of a team where individual efforts are visible and appreciated by teammates. Competition and rivalry are not absent, but they are offset by shared goals, shared successes, and external measures of achievement."

Employers with good jobs offering training and job security are unwilling to take the risk of hiring a recent high school graduate. He contrasts this with students in Europe and Japan, where companies use grades on school-leaving exams to assess the competence and reliability of young people with no work experience.

"In the United States, the top employers ignore recent high school graduates and consider only applicants with extensive work experience. One important reason for this policy is that the applicant's work record serves as a signal of competence and reliability that helps the employer identify who is most qualified. In

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the U.S. recent high school graduates have no such record, and information on students' high school performance is not available.

Dr. Bishop states that employers believe that school performance is a good predictor of job performance, but they have great difficulty getting information on school performance. A recent survey of small and medium-sized employers found that only about one in seven requested transcripts or asked graduates their grade point averages before selection.

Dr. Bishop asserts that the key to motivating students is to recognize and reward learning effort and achievement. "The full diversity of types and levels of a student's accomplishment must be displayed and signaled so that everyone faces a reward for greater time and energy devoted to learning."

Finally, Dr. Bishop contends that increasing numbers of employers are realizing that they must have workers competent in the skills critical to tomorrow's workplaces. "As the labor market begins to reward learning in school, students will respond by studying harder and local voters will become more willing to pay higher taxes to ensure better local schools," he adds.

How THE VITAL LINK Works

The Employers' Role

THE VITAL LINK responds to Dr. Bishop by fundamentally improving individual motivation through continuous communication between employers and students. It begins with the commitment of business to alter its behavior in several ways.

• *First*, business should identify the skills and standards needed by potential employees to succeed in tomorrow's workplace.

What skills, knowledges, aptitudes and attitudes will be needed on the job? How do these relate to the schools' curricula?

• *Second*, we should communicate these criteria for success, so that students and teachers will want to know and participate early on in what it will take for "admission" into the workplace.

College-bound students are given explicit criteria for success early enough to motivate and to guide them toward educational achievement. For the employment-bound, there is no such roadmap nor specific payoffs for achievement. Just as our current workforce needs a clear career track to follow, and is motivated by higher salary and other benefits, so, too, do our future employees need incentives to achieve as they prepare for the workforce. It is basic human nature that we are driven to excel when motivated by a payoff.

Albert Shanker, president of the American Federation of Teachers, has written that, "Adolescents are like adults: they do exactly as much as they have to do in order to get what they want." Unfortu-

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match, for many of today's youth that means no more than working for the minimum required to receive a diploma. *Often that translates into hours logged rather than subjects mastered.* This should come as no surprise — after all, as employers, all we ask of high school graduates is a copy of their diploma! We have not systematically required *qualitative* information, as does a college admissions officer, to distinguish between the high achievers and those merely getting by. We have not actively demonstrated the direct correlation between *excellence* in schoolwork and the ability to land a better job. We must provide clear incentives, in terms of jobs, salaries, and career advancement opportunities for those who do well in school.

Adolescents are like adults: they do exactly as much as they have to do in order to get what they want."

Albert Shanker
President of the American Federation of Teachers

• *Third*, business should reward accomplishment.

Business must offer a reward beyond basic employment to motivate students to excel. Business must alert students to varying employment and education opportunities and the merit-based pay and career advancement which come with each.

• *Fourth*, business should require and reward personal and academic achievements of young people.

Just as college admission is based on a thorough review of academic and extracurricular accomplishments, employers should institute similar "admissions" analyses when making entry-level hiring decisions. Employers should recognize individual attributes and talents. To do so, more than existing pen and paper assessment is needed to identify the range of individual student talents. Employment-bound students should know that their entire portfolio of achievements counts, both in and out of school, not just the results of multiple choice tests.

• *Fifth*, business must work directly with students to motivate and to guide them through their decisions.

Just as college admissions officers serve as guidance counselors to college-bound students, employers must do the same for employment-bound students, to provide exposure to the world of work, to nurture development, and to help connect student achievement in the classroom with future employment options. Business should earmark time and resources to communicate with students, to share management practices with educators, and to welcome students and educators at companies, so they can learn, first-hand, the relationship between studies and workplace careers.

Project Structure

The ABC Education Task Force is committed to uniting business, education — superintendents, principals, teachers, and school boards — and the community in order to create a framework for business and student interaction which complements the many effective initiatives already in place. ABC's role is as catalyst to leverage a response by business to a national concern which is appropriately addressed on the local level.

Demonstration Site Selection. THE VITAL LINK must be adopted by local business and school communities. Beginning with the 1990-91 school year, ABC is working with business, community and school leaders to demonstrate THE VITAL LINK in three sites.

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across the country — Orange County, California; Fort Worth, Texas; and New Jersey. This selection of multiple sites allows a test of ABC's hypothesis in three diverse geographic locations with unique approaches to business education interaction. This allows for cross-fertilization of experiences and insights across projects. The desired outcome of the demonstration projects will be replication by others of an effective model on the broader, national level.

Targeted Focus. Within each demonstration site, a defined business community and school community will align to design a systematic means of motivating student achievement at the high school level. While evidence clearly shows the need for intervention of this type as early as grade school, THE VITAL LINK concentrates on ninth grade students in its first year, working with that class through graduation. In subsequent years, each new ninth grade class will be added. By narrowly defining the initial scope of the program, the test phase can measure its value and impact on student behavior, and determine the viability for expansion and/or replication. Each pilot location, however, may introduce efforts in earlier grades to prepare for participation in THE VITAL LINK.

National Steering Committee. While the sites work independently on the local level to implement THE VITAL LINK, they are united nationally by the umbrella of a National Steering Committee. The NSC, comprising the leading national business and education organizations, provides insight and guidance to the initiative as well as the opportunity for cross-fertilization between the sites. The NSC provides guidance, oversight and breadth of knowledge and experience that no one site could afford.

Management and Organization. Each pilot site has a Board of Directors and/or a Local Steering Committee (LSC) and Operating Committees comprised of business, education, students and community representatives as well as a project manager. The Board, comprised of chief executives of business and education, serves as an official body to oversee the pilot program, while the LSC is staffed by on-site managers to steer and implement the project. The project manager serves as chairman of the LSC, and directs Operating Committees organized to:

1) Identify business standards and skills;

2) Develop appropriate assessment techniques;

3) Design a system of employment-based incentives;

4) Organize ongoing school-to-work communication;

5) Recruit business partners;

6) Provide public relations assistance;

7) Oversee business and fundraising; and

8) Allow for student input through a Student Advisory Committee.

Local sites will coordinate with existing initiatives where possible to avoid duplication, and will determine their most effective structures.

Business Community Linkages. THE VITAL LINK is designed to provide a lifelong connection between business and students, and

their educators throughout the high school years. Through mentoring, internships, shadowing, executive presentations in the schools, and other means, the student will be given the opportunity not only to understand the payoff for hard work in school but to see first-hand the day-to-day operation of the work world.

Post-Secondary Education Linkages. The community college and institutions of higher education play a critical role, as they too are the end-users of high school students. Not only will these institutions provide invaluable insights for implementation of the project, but they need educated and competent "entry-level" students prepared for post-secondary studies.

Monitoring and Evaluation. The demonstration projects will be monitored and evaluated regularly, for short- and long-term progress. It is anticipated that the result will be a systematic process of motivating high school youth to greater achievement. ABC recognizes that this effort will take time and continued persistence on the part of business, educators, parents and students. And we believe that the rewards will be well worth the time and effort.

Conclusion: A Call To Action

THE VITAL LINK demands a much broader reach than the 100 companies of the American Business Conference. It can only succeed if it engages the business community in a large-scale coordinated effort to provide signals and stimulus to ratchet up the performance of our employment-bound high school students.

Business can be a strong ally to the schools and a leader in innovative change to better student achievement, but success will not come overnight. ABC companies have enjoyed average annual growth rates of 15 percent or more over the past decade because they have invested in the financial and human capital needed to be world leaders in their niche markets. Their success has been carefully calculated and realized over time. So, too, will business investment in education require long-term commitment, as today's students and their school environment will need time to meet increasingly challenging standards.

The 100 chief executives of the American Business Conference call on our colleagues in the business world to join in this effort. Only when business at large has a consistent and systematic mechanism for communicating with and motivating our future employees can students grasp a complete understanding of the responsibility they have for their own learnings and accomplishments.

Appendix A

Motivating Students To Study: Expectations, Rewards, Achievement

by John Bishop
Center for Advanced Human Resource Studies
School of Industrial and Labor Relations
Cornell University

The following excerpt from the November 1989 National Association of Secondary School Principals *Bulletin* illustrates Dr. Bishop's research on student motivation and learning which has been critical to the development of THE VITAL LINK.

Incentives for Effort and Learning in High School

The fundamental cause of student and parent apathy is the absence of good signals of effort and learning in high school and a consequent lack of rewards for effort and learning. Signals of learning, like years of schooling, are handsomely regarded. In 1987, 25 to 34-year-old male (female) college graduates working full time earned 41 (48) percent more than comparable high school graduates, and high school graduates earned 21 (23) percent more than high school dropouts.

These rewards have significant effects on student enrollment decisions. When the payoff to a college degree for white males fell in the early 1970s, their college attendance rates fell. When the payoff rose again in the 1980s, male college attendance rates rose. Years of schooling are only a partial measure of learning accomplishment, however.

In contrast to years spent in school, the effort devoted to learning in high school and the actual competencies developed in high school are generally not well signaled to colleges and employers. Consequently, while students are generously rewarded for staying in school, the students who do not aspire to attend selective colleges benefit very little from working hard while in high school. The lack of incentives for effort and learning accomplishment is a consequence of three phenomena.

- The peer group actively discourages academic effort and achievement.
- Admission to selective colleges is not based on an absolute or external standard of achievement in high school subjects. It is based instead on aptitude tests which do not assess the high school curriculum, and on such measures of student performance as class rank and grade point average, which are defined in terms of classmates' performances not relative to an external standard.
- The labor market has failed to reward effort and achievement in high school.

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Zero-Sum Nature of Academic Competition

An important cause of high school students' poor motivation is peer pressure against studying hard and achieving above the norm. Students who study hard are called "nerds" by their classmates. Peers discourage study primarily because the pursuit of academic success forces students into a zero-sum competition with their classmates. Their achievement is not being measured against an absolute, external standard.

In contrast to scout merit badges, for example, where recognition is given for achieving a fixed standard of competence, the school's measures of achievement assess performance relative to fellow students through grades and class rank. When students study hard and excel academically, they set themselves apart, cause rivalries, and may make things worse for friends. When we set up a zero-sum competition among close friends, we should not be surprised when they decide not to compete.

Young people are not lazy. They work very hard in their jobs after school and on the football field. In these environments they are part of a team where individual efforts are visible and appreciated by teammates. Competition and rivalry are not absent, but they are offset by shared goals, shared successes, and external measures of achievement.

On the sports field, there is no greater sin than giving up, even when the score is hopelessly one-sided. On the job, tasks not done by one worker will generally have to be completed by another. In too many high schools, when it comes to academics, a student's success is purely personal.

The second reason for peer norms against studying is that most students perceive the chance of receiving recognition for an academic achievement to be so slim they have given up trying. At most high school awards ceremonies, the academic recognition goes to only a few — those at the very top of the class.

By ninth grade, most students are already so far behind the leaders that they come to believe they have no chance of being perceived as academically successful. Their reaction is often to dismiss the students who take learning seriously and to honor other forms of achievement — athletics, dating, holding their liquor, and being "cool" — which offer them better chances of success.

College Selection Criteria

In Canada, Australia, Japan, and Europe, educational systems administer achievement exams which are closely tied to the curriculum. With the exception of Japan, all of these exams use an extended answer format. Performance on these exams is the primary determinant of admission to a university and to a field of study, and good grades on the toughest exams — physics, chemistry, advanced mathematics — carry particular weight.

In the United States, by contrast, the national tests which influence college admission decisions — the SAT and ACT — are multiple-choice exams that do not assess the student's knowledge and understanding of literature, history, science, and technology. The

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American exams that are similar to those administered in Canada, Australia and Europe — the Advanced Placement exams — are taken by only 6.6 percent of high school seniors, and have little impact on college admission decisions.

High school grade point averages and class rankings have substantial effects on who is admitted to the most prestigious colleges. Since most classes are graded on a curve, taking more rigorous courses lowers the student's grade point average. Many college admission officers try to factor course difficulty into their evaluations, but most high school students still believe that As in regular classes are better than Bs in honors classes. The result is that many students avoid taking the more demanding courses.

The second problem with the use of GPA and class rank as college admission criteria is that it results in zero-sum competition between classmates, and consequently contributes to peer pressure against studying and parental apathy about the quality of teaching and the rigor of the curriculum.

Economic Rewards for Effort and Achievement

Students who plan to look for a job immediately after high school typically devote less time and energy to their studies than those who plan to attend college. In large part, most see very little connection between how much they learn and their future success in the labor market.

Less than a quarter of tenth graders believe that geometry, trigonometry, biology, chemistry, and physics are needed to qualify for their first choice occupation. Statistical studies of the youth labor market confirm their skepticism about the benefits of taking tough courses and studying hard.

Although the economic benefits of higher achievement to the employee have been quite modest and have appeared long after graduation, the benefits to the employer (and therefore, to national production) are immediately realized in higher productivity.

Over the last 80 years, industrial psychologists have conducted hundreds of studies, involving hundreds of thousands of workers, on the relationship between productivity in particular jobs and various predictors of the productivity. They have found that scores on tests measuring competence in reading, mathematics, science, and problem solving are strongly related to productivity in almost all of the civilian jobs studied.

Studies conducted by the military similarly find that scientific, technical, and mathematical reasoning competencies have large effects on both paper-and-pencil measures of job knowledge and hands-on measures of job performance. Academic competencies are particularly important in higher paying occupations and in occupations which are growing as a result of the technological revolution we are experiencing.

Despite their higher productivity, young workers who have achieved in high school have not been receiving appreciably higher wage rates after high school. The student who studied hard has had to wait many years to reap rewards, and even then the magnitude of

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its wage and earnings effect — a 1 to 2 percent increase in earning per grade level equivalent on achievement tests — has hardly been much of an incentive. It was considerably smaller than the actual gain in productivity that results.

Incentives to Upgrade Local Schools

The lack of external standards for judging academic achievement and the resulting zero sum nature of academic competition in the school also influence parents, school boards, and voters in school tax referenda. Parents can see that setting higher academic standards or hiring better teachers will not, on average, improve their child's rank in class or GPA.

Doing well on the SAT matters only for those who aspire to attend a selective college. Most students plan to attend open entry public colleges which admit all high school graduates from the state with the requisite courses. Most scholarships are awarded on the basis of financial need, not academic merit.

The parents of children not planning to go to college have an even weaker incentive to demand high standards at the local high school. They believe that what counts in the labor market is getting the diploma, not learning algebra. They can see that learning more will be of only modest benefit to their child's future, and that higher standards might put at risk what is really important — the diploma.

Those without children in the public schools have the weakest incentive of all. Only a minority of the students remain in the local school district after graduating, so the taxpayers who must foot the bill for quality local schools will receive very few of its benefits.

Only when educational outcomes are aggregated at the state or national levels do the real costs of mediocre schools become apparent. The whole community loses because the work force is less efficient, and it becomes difficult to attract new industry. Competitiveness deteriorates, and the nation's standard of living declines. This is precisely why employers, governors, and state legislatures have been the energizing force of school reform. State governments, however, are far removed from the classroom. If educational reform is to succeed, it must spring from the grassroots.

Why Top Firms Do Not Hire Your Graduates

One of the saddest consequences of the lack of signals of achievement in high school is that employers with good jobs offering training and job security are unwilling to take the risk of hiring a recent high school graduate.

In Europe and Japan, young people are hired by top companies straight out of high school. Companies in Europe are willing to hire recent graduates because the grades on school leaving exams — which are on most resumes and requested on job applications — allow the company to assess the competence and reliability of young people with no work experience.

In Japan, clerical, service, and blue collar jobs at the best firms are available only to those recommended by their high school. The criteria by which the high school is to make its recommendations are

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by mutual agreement, grades and exam results.

In the United States, the top employers ignore recent high school graduates and consider only applicants with extensive work experience. One important reason for this policy is that the applicant's work record serves as a signal of competence and reliability that helps the employer identify who is most qualified. In the U.S., recent high school graduates have no such record, and information on the student's high school performance is not available. The entire graduating class appears to employers as one undifferentiated mass of unskilled and undisciplined workers.

Employers believe that school performance is a good predictor of job performance. When they have grade point average information, it has a major effect on the ratings they assign to job applicants. However, they have great difficulty getting information on school performance.

In too many high schools, the system for responding to transcript requests has been designed to meet the needs of college-bound students rather than the students who seek jobs immediately after graduation.

The result is that a 1987 survey of a stratified random sample of small and medium-sized employers who were members of the National Federation of Independent Business (NFIB) found that transcripts had been obtained prior to the selection decision for only 1 to 2 percent of the high school graduates hired. Only 15 percent had asked high school graduates to report their grade point average. The absence of questions about grades from most job applications reflects the low reliability of self-reported data, the difficulties of verifying it, and the fear of EEO challenges to such questions.

How To Make Studying Pay Off for Students

The key to motivation is recognizing and rewarding learning, effort and achievement. Some students are attracted to serious study by an intrinsic fascination with the subject. However, they must pay a heavy price in the scorn of their peers and lost free time. Society offers them little reward for their effort. Most students are not motivated to study by a love of the subject.

If this situation is to be turned around, the peer pressure against studying must be reduced and the rewards for learning must be increased. The full diversity of types and levels of a student's accomplishment must be displayed and signaled so that everyone — no matter how advanced or how far behind — faces a reward for greater time and energy devoted to learning. Learning accomplishments must be described on an absolute scale.

Increasing numbers of employers are realizing that they must have workers with strong backgrounds in mathematics, science, and language arts. If employers know who the academic achievers are, they will provide the rewards needed to motivate study. As the labor market begins to reward learning in school, students will respond by studying harder, and local voters will become more willing to pay higher taxes to support better local schools.

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The Vital Link

The Vital Link: Orange County, California

Orange County, California, allows an exciting opportunity to join four school districts with the business community in a county-wide initiative. The school districts of Huntington Beach, Irvine, Laguna Beach and Santa Ana will work together with a consortium of business leaders to form a partnership.

Through the Office of University Advancement, the University of California, Irvine, will play a lead role in the organization and development of the local project. Other school partners in the initiative include: the Coast Community College District, the Regional Occupation Programs—school districts serving the entire county and offering vocational education programs; and, the Orange County School Boards Association. Others may be identified as the program is developed.

THE VITAL LINK in Orange County will begin with individual or small group meetings between chief executives and superintendents as well as other school leaders. These interactions will allow an opportunity for the chief executives of business and the schools to speak frankly about education in the county, the role of business in reform efforts, and needs that THE VITAL LINK can meet in these particular school environments.

ABC Vice Chairman Roger Johnson, chairman and chief executive officer of Western Digital Corporation, has provided initial guidance to THE VITAL LINK and will continue this involvement in the project along with other ABC members, and the much broader Orange County business community.

Guided by the mission and goals of THE VITAL LINK, the Orange County project will foster direct chief executive/superintendent interaction. The activities in the county will be focused on ways to increase academic motivation among non-college bound students.

For further information on **THE VITAL LINK: Orange County**, please call:

Ms. Kathy Jones
Associate Vice Chancellor, University Advancement
University of California, Irvine
(714) 856-7915

The Vital Link

Fort Worth Project C³ THE VITAL LINK Initiative

THE VITAL LINK Initiative is based on the principle that students can be motivated to learn in school if they understand the relationship between school achievement and success in the workplace. In the Fort Worth Independent School District, this premise will be implemented as a component of the Fort Worth Project C³ by

1. **Identifying the standards and skills that students must meet for successful employment following graduation.**

   Phase One of Fort Worth Project C³ has focused on identifying the task experience, basic skills and levels of proficiency that students need to have for entry and success in the workplace. These skills have been identified by employer and employee teams throughout the Fort Worth area. Following specification of the needed skills, district personnel will assess the district's resources for imparting these experiences and skills.

2. **Demonstrating the correlation between school and work.**

   THE VITAL LINK Initiative provides a model for imparting the necessary skills and experiences identified in Phase One of Project C³. This initiative will focus on 8th graders district-wide and on 9th through 12th graders in specific schools.

Representative activities include:

- encouraging all students to take algebra in the 8th grade in order to bolster problem-solving skills,
- counseling students about necessary workplace skills and directing them toward courses that support their job interests; and,
- directing students toward appropriate coursework in order to build a broad base of knowledge as well as specialized courses for career or college placement.

The business community will be linked to the classroom to establish a continuous communication network between potential employees and students. Representative activities include:

- exhibiting the relevance of classroom instruction to the workplace through the use of video conferences with business leaders and by business lecturers/teachers,
- encouraging direct communication between education, business leaders and students regarding the relevance of particular classes to both the workplace and college; and,
- providing 8th and 9th grade students with business information and experience through mentorships, internships, and summer jobs. (Participation in these experiences would be based on school attendance and maintaining grades.)

Schools will be strengthened by developing business and academic bonds that have been already established. For example, the alliance between Harris Methodist Hospital, the Texas College of Osteopathic Medicine and two Fort Worth high schools (Trimble Tech and the High School for Medical Professions at North Side High) can be strengthened and expanded.

At the North Side magnet school, the goal would be to develop and extend linkages between the magnet program and the regular school in order to improve access to higher level classes by students of the regular school. At Trimble Tech, the goal would be to bolster the regular program by encouraging students to excel in their work and focusing their efforts toward particular job interests.

3. **Developing detailed student records (portfolios) that reflect the depth and breadth of student accomplishment including: grades, teacher recommendations, test scores, work history, performance samples, community service, and extracurricular experience.**

The use of portfolios that reflect a student's work and development over time should provide prospective employers with a broad base for assessing student competencies and accomplishments. We propose that business representatives, counselors and teachers will establish a portfolio system that details student development, records and work samples throughout high school. Business and school representatives will work with students to understand the value and correlation to the workplace of the portfolio as well as the achievements that it will record.

4. **Developing a reward and recognition system that reflects meaningful accomplishment by students.**

   Teachers, administrators, parents, student and business consultants will develop a reward and recognition system that encourages students to strive for excellence and enhance their commitment to their education. Recognition may include salaried co-operative work arrangements, awards, scholarships, and opportunities for additional work experiences or training.

The Fort Worth Independent School District and Fort Worth: Project C³ enjoy a broad base of support and access from over 3800 corporate members of the Fort Worth Chamber of Commerce and some 140 Adopt-a-School Partners. This extensive network of international, national and regional businesses assures the success of THE VITAL LINK Initiative.

For further information on **Fort Worth: Project C³—THE VITAL LINK Initiative**, please call:

Dr. Gary Standridge
Fort Worth ISD
(817) 878-3807

Ms. Donna Parker
Fort Worth Chamber of Commerce
(817) 336-2491

The Vital Link

The Vital Link: New Jersey

New Jersey offers an exciting mix of private and public sector institutions committed to improving the motivation of students to achieve. The New Jersey Department of Education brings to THE VITAL LINK the framework of its 10,000 Jobs (10K) initiative, a state-wide program offering *Passports to Employment* to students fulfilling workplace-oriented criteria, while The Partnership for New Jersey affords the project involvement of the state's largest employers. The Partnership also offers its expertise through MAPS—Management Assistance for Public Schools, and the Invest in Children coalition.

As the state focuses on school reform in 30 at-need urban districts targeted by its "Quality Education Act," one school partner in New Jersey will be in this category and will be active in 10,000 Jobs. By drawing on this base, THE VITAL LINK will be complemented by existing efforts based on shared principles. This unique ability in New Jersey to combine such state-wide interest and consistency of so many education initiatives allows for a thorough and effective demonstration effort.

There is also great interest on the part of the Morris School District for participation of a school not designated by the "QEA," but with a diverse student population that will benefit from workplace incentives offered through THE VITAL LINK. This combination approach would allow for maximum exposure to students, and integration of school districts at a critical time for state-guided reform. Similarly, the vocational and community college districts here and in other parts of the state are enthusiastic to collaborate in the initiative.

With the direction of ABC Education Task Force members, Josh Weston, chairman and chief executive officer of Automatic Data Processing; Larry Schoenberg, chairman and chief executive officer of AGS Computers, and Dermot Dunphy, president and chief executive officer of Sealed Air Corporation, the New Jersey pilot provides an opportunity as well for broad business involvement in a multiple-site initiative.

The Morris County Chamber of Commerce Business and Education Together effort brings local business involvement and direct impact on schools within the county as well as those around the state through facilities of those companies headquartered in the county.

This combination of resources and talents in New Jersey gives to the program the state's leading businesses with ready access to the school system.

For further information on:

The Partnership for New Jersey, please call:
Jan Carlson-Bull, (609) 246-3222

The 10K Initiative:
Maryanne Grumelli-Boychuck, (609) 292-6573

The Morris County Chamber of Commerce,
Business and Education Together Program:
Grail Harte, (201) 538-0620

Chairman HAWKINS. When Mr. Kolberg and I discussed inviting the business people to the hearing, we speculated on whether or not we had given you sufficient time. It is obvious that you have done an excellent job in the limited time available, but we certainly want to indicate that the quality of your testimony is certainly I think indicative of the great amount of time that you have given to the subject, and certainly indicates that business is heavily involved.

Mr. Kolberg, you referred to a national strategy. I think you concluded we really don't have a national strategy. It occurs to some of us how do we initiate such a national strategy?

"The Primer for Business" did refer to coalitions as one approach, the formation of coalitions, and suggested that it not be business that would initiate such coalitions; it could be done by others.

But certainly I think a good case has been made that the participation of business is really essential.

You have said today, various ones of you, things that if any of us on this committee had said would not have been really listened to. I want to assure you that it is much better that it come from others rather than members of this committee or even from public officials.

I think all of them have a role to play. I think trying to identify that role is one of the difficult tasks that we have. Parents, as you have indicated, have a strong role to play. Local officials obviously have a strong role to play, as well as others.

The most difficult thing I think has been to identify what the Federal role should be. We talk of coordination and leadership on a national strategy, but it is very difficult to identify, it seems, in the decentralized school system that we have just what the Federal role would be, and I am not so sure that our suggestions on this committee have been the most effective way of trying to describe what that role should be.

That was one of the difficult things we had in the School Improvement Act of 1988: spelling out that role. In the oversight that this committee has attempted to conduct of whether or not local school districts, state educational agencies and others have been complying with what we attempted to do in the School Improvement Act, that is, to bring about sufficient change or academic improvement as well as school improvement as to what would monitor that and what would set the standards and so forth—we believe sincerely that we have given sufficient authority to the State departments, the U.S. Department of Education, the authority to do that and to set standards.

Sometimes—you have mentioned, some of you, that we should have high standards.

Unfortunately, the oversight experience that we have had seems to suggest that low standards are being set throughout the country and that in compliance with the requirements of existing law that it is easy to conclude that school districts or the schools are meeting the standards which are set, but that they are possibly too low.

I wonder if any of you would like to comment on whether or not you feel that your participation at the local level in cooperation with others, with teachers, parents, local officials and so forth, can

help to bring about increasing those standards, and also you have all suggested that there should be stronger techniques of assessment, which is something which has been very controversial for this committee to suggest: the matter of assessing the progress.

Nobody seems to want to assess the progress, and yet we have set the goals and we don't even know whether we are moving in the direction of meeting them because of the lack of assessment that is acceptable.

These are two of the silliest problems we have dealt with, assessment on the one hand, and also a national strategy, whether or not a national strategy in any way interferes with our decentralized school system.

Bill, would you like to lead off and give us some of your suggestions as to whether or not we have failed to, on this committee, to strengthen the school system by hesitating to get involved in some of these areas?

Mr. KOLBERG. Mr. Chairman, I don't see it as any failure on the part of the committee at all. It just seems to me that gradually but surely the environment for change is shifting rather markedly over the last several years.

As I said in my testimony, we now look at this as a national problem and we want some progress across-the-board, and we need to figure out ways to do that within the accepted inter-governmental system that we have all become used to.

In other words, this is primarily a state and local responsibility. That is why, and I think, again, my colleagues probably agree, the National goals seem to us as a tool in an inter-governmental system where there is no command and control over education from the Federal Government.

It seemed to us as a useful tool to begin to develop a national consensus around what we need to do nationally and once we got some acceptance and understanding of those goals, then getting those goals adopted by the 50 states, and finally, we think there needs to be a set of goals that are in each of the 83,000 school buildings across the United States.

There needs to be some kind of system of setting forth the goals, assessing the progress toward those goals if we are going to have any chance at all of meeting the kinds of outcomes that we must have by the year 2000, or certainly early in the next century.

That seems like a long and complicated and not a very neat way to talk about this, Mr. Chairman, but I think that we are gradually coming to accept that. We are bothered that the National goals were just put out there and there isn't much around there.

My experience is everywhere you go you ask about the National goals and usually people haven't heard of them.

If they have heard of them, they don't know what they mean, how they are going to work; and until we get serious about that, we are not going to make the kind of progress we need to make.

Let me jump to the second part of your question.

The problems in reforming local school systems, particularly center school systems as in Boston, have become almost intractable.

We have watched and worked with the business community in Boston now over a seven or eight-year period to set goals to try to

monitor those goals, to change the drop-out rate from the 45 percent that it has been, and so far there has been very little progress.

That doesn't mean that anyone wants to give up. It means to us that it is a set of terribly difficult, intractable problems, particularly in center cities where the majority of the young people being educated come from a poverty background with the multiplicity of problems that they bring to schools that need to be solved.

All of us are becoming humbled by the magnitude of the task that we believe needs to be accomplished.

As Mr. Lurie said, we need to believe that we have got to educate all our young people and we need to believe that we know how to do that. I think we believe that, but doing it becomes terribly difficult.

Chairman HAWKINS. To be even more specific, is there any place in which through business participation or leadership that exemplary programs have been really created that demonstrate what can be done to improve academic standards and to measure them in some acceptable way so that not only are the children achieving results in basic skills, but also in the higher-order skills, critical thinking type of skills, to which we can look at a model that can be carried out?

It would seem to me that if such examples do exist, then the job becomes one of replicating those examples. But everybody talks about improvement, talks about restructuring.

We don't really always know what that means. You ask any local group of educators how well they are doing; they will say we are improving, we are above the average and what-not. You don't really know how to identify and ask the Department of Education whether or not the School Improvement Act of 1988 is being complied with and they will say yes. Then we pin them down, they say, but the standards are rather low, and they will report that the schools are improving.

If they are improving, then everybody thinks it isn't necessary to do anything. I am just wondering whether or not there is some place that we can actually identify some actual progress being made and then perhaps we can understand how it is that they have been able to do something that others perhaps haven't done.

I hope I make myself clear enough to just be in the mood of trying to grasp at something that we can say is good rather than just simply criticizing what isn't being done.

Maybe some of the other witnesses may wish to respond.

Mr. LURIE. I would like to comment on your question in several ways.

Last night as I was making a few little notes, I put a quarter-of-an-inch at the bottom of this page on the subject that you have asked a question about. I would tick off a few of the points that struck me about nine o'clock last night as having relevance.

The first was the point that Bill mentioned, and that was support news distribution to promote a much better understanding of the National goals. I don't think there has been enough distribution and publication of these goals. I don't think they are well understood.

They are our national goals. I think they deserve much more.

The second point that I am not certain about that I would throw out is I think that a recognized Federal role in many areas has been to support research and development in education and I think there is a need for more research and development on how we can best achieve these national goals and how we can implement some of the reform that they call for, some of the objectives that they are trying to get to.

So to the extent that we don't have all the answers, I think that it might be appropriate for the Federal Government to target some careful research programs and some development programs that would make us feel more comfortable that we are moving in that direction.

A third area that you are an expert in is helping poor children, helping handicapped children, insuring that there is fair access for such children in all of the good programs that are out there.

I think that is a very important Federal role. Perhaps, again, it falls under the research and development, but there are many models—I can't list them for you—but in discussions with some of our educational consultants, who feel very strongly that we do know how to reach all children, and that there are good models of how to do this spread throughout the country.

Our problem is that we have not perhaps identified many of them that are out there and we haven't necessarily tried to replicate many of them. But the academics that I have talked to have made me feel comfortable that there are many good models that could be verified and could be better replicated.

Perhaps that is another piece of research or development that could be supported at the Federal level—what is effective, what is the best way to reach, to learn, to implement change, to develop the new assessment tools.

I think that supporting models as you suggested is an excellent way to make progress.

Chairman HAWKINS. Is this a responsibility of the Department of Education maybe through the National Diffusion Network, to identify such programs and to encourage a replication?

Mr. LURIE. I can't answer your question, but perhaps some others can.

Chairman HAWKINS. It would seem to me someone should be doing it. I can't think of a better place for it to be done than at the National level, and it seems to me it does not interfere in local authority or raise the problem of Federal control, it is a matter of identifying what actually works and making that information available to others and then it would be a matter of not only business, but others to see that some replication is needed.

Mr. KOLBERG. Mr. Chairman, I think we have leaned over backwards because of our concern about Federal control in education to prevent ourselves from doing exactly what you are talking about. In other words, the Department of Education needs to be a proactive leadership kind of a department and the fact that in my estimation it is not now the fault of all of us because we haven't wanted that kind of national leadership coming from the Federal Government.

Leadership is different in my view from control. Leadership means, as I have tried to say this morning, leading out developing

the data, developing the knowledge that would enable all of us to push toward international standards.

If I could reiterate what I said in my testimony, I think it is time for us to begin to develop a national examination system, if you will, a national test. It is not true and false, not multiple choice, but it is a new national examination system that will allow all of us everywhere to begin to measure the kinds of things you are concerned about, where are the young people in terms of what they need to know by international standards, where are they now in all 15,000 school districts.

Here we are in 1990 saying that we are serious about this national problem but we still have prevented by law, even NAEP, from doing state-by-state comparisons.

We need to begin to be serious about viewing this as a national economic problem that affects all of us and that whether it is in Maine or in California, we need to benchmark what our kids know and see to it that, in fact, they are taught by the age of 16 the kinds of things they will need to know in order to be effective citizens and effective members of the work force.

Chairman HAWKINS. If Gus Hawkins said it, it wouldn't mean too much, but if the CEO of IBM said it, someone would listen, I think.

Mr. HURWITZ. I want to comment on the previous discussion and especially on your question concerning the appropriate role of the Department of Education and the Federal Government in identifying successful examples of educational performance.

I think it certainly is an appropriate role, but I think at the same time that that kind of work needs to be done in the private sector as well and I think that there ought to be a partnership in that kind of effort.

It certainly is appropriate for the Department of Education to identify the successes around the country and through pilot programs, demonstration projects and so forth, to try to replicate them across the country.

On this question of standards, I think there is really a terrible dilemma.

I would certainly support that my colleagues have said with respect to the need to set high standards at the national level, at the state level and in local school districts.

At the same time, you have to recognize that as you set higher standards, it will make it more and more difficult for those who have been disadvantaged through education, through poverty, through family background, to reach those standards, so I think at the same time that we encourage excellence, we need to recognize that special efforts have to be made early, in the earliest years, to deal with the problems of the disadvantaged.

The strategy that CED laid out is an early investment strategy. It was not popular, perhaps. It certainly was unique for a business organization in the early eighties to be supporting additional programs for Head Start, for early intervention and more recently in our report in 1987, Children in Need, to call for early intervention strategies beginning with prenatal care, infant care, and early childhood.

So I think that while we are encouraging excellence and high standards on the one hand, I think we have to recognize that there is a tremendous job to be done to help those young people who have not been able to reach those standards and to recognize that the work that we do today for young children, for infants, will pay off in generations to come.

You asked about some successful cases. I would like to cite one, the new Futures School in Albuquerque, New Mexico, which is a school for pregnant teens and teen mothers and it is a public school, Mr. Chairman. It is not a private school.

It is a public school that has special programs to deal with the problems of the teen mother and her child, and it accomplishes three things at once.

It helps the mother, and it helps her to get an education to prepare for work. This school has been very successful in graduation rates and in finding employment for its graduates, but it also helps the child, the infant, the newborn child, the young child of the teen mother, and it prevents—at least it offers a very good chance that there will not be repeat pregnancies, that there will be an opportunity for these young people to break out of this devastating cycle that really retards them in their efforts to enter employment and the mainstream.

So while I applaud the standards and CED has taken a strong position over the years for higher standards, I think the business community has a very important role to play in that. I think there is an equally important role in dealing with the 30 percent of young people in this country who are failing, absolutely failing in school, dropping out, and losing what I believe is an opportunity of a lifetime to educate themselves and to enter the mainstream of American life.

Mr. ROGSTAD. Could I comment on Mr. Hurwitz's last point, Mr. Chairman?

When you are talking to the business community, we are looking at words of standards and accountability and rewarding relative merit.

One of the problems that we find is in identifying standards, you need standards that are workable and that gets very much to the point of assessment.

The other thing is that you can put standards and assessment capabilities into place that may help you skim cream from that labor pool.

We are not talking about that. We are talking about actualizing the potential of every student into that labor force.

The issue and the importance of R&D on assessment techniques, alternative mechanisms to a multiple choice pencil and paper test is how do you reach out to a broad array of students from different cultural and ethnic backgrounds to allow them to be as responsive to those charges as possible?

The state of the art in assessment is woefully inadequate here. This is an R&D function and a proper role for the Federal Government.

In terms of our project, Vital Link and other things that are going on, it becomes the critical link that is still not there that is going to determine the success or failure of many of these projects.

Chairman HAWKINS. Thank you.

Mr. Goodling?

Mr. GOODLING. Thank you, Mr. Chairman.

I will make a few observations on your testimony and then relate last week's experience.

I went back to school for five days in my district and I will refer to that because I think it says something about other roles that the business community could perhaps play.

I was interested when Mr. Kolberg talked about the system of national standards for all to achieve.

Part of our problem has been that this has been done so poorly in so many different places that most people are now afraid to touch it with a ten-foot pole.

I am sure you are familiar with our Secretary of Education in Pennsylvania, prior to the present Secretary, who got this great idea that he would do tests and publish how districts fared and how they ranked amongst each other.

He said upper Saint Clair was number one. Any idiot knew that Upper Saint Clair should be.

Many of the parents have Ph.D.'s and the school expenditure is unbelievable.

To rank that then, with a poor rural area or a poor rural city area it, unfortunately, did more to set back the State of Pennsylvania by 20 years.

If you gentlemen can convince the leadership in the National Governors' Association and then when you are finished with that, can meet with the President personally and when you are finished with that, meet with advisors and convince them there is no systematic or well-understood plan for reaching goals; and number two, that this current, relatively ad hoc institution, may not be enough to provide the proactive support role needed.

If you can do that, you will do better than Bill Goodling and Pat Williams together, have done.

We have tried to make the Governors and the White House understand that nothing will happen unless the shakers and doers are involved in the process, that it was a great start, but that is where it stops.

We will be ever grateful to all of you, if you can accomplish those two goals, because we have failed.

Let me mention to Mr. Hurwitz, he talked about Smart Start. I have been promoting Even Start for three years and am happy to say that the Appropriations Committee has doubled the appropriation for all three years.

Where I have failed, however, and I have written and talked to the business community and I have particularly gone after the million dollar entertainers and athletes.

We need real support and real help. The appropriations have doubled, but we need additional help because with what we have at the present time, we can perhaps fund this year, to maybe 160 demonstrations. What we are saying then, is that you cannot break the cycle of illiteracy unless you attack it as an inter-generational problem.

An Even Start preschool child doesn't participate without the parent participating because the parent is illiterate or functionally

illiterate at best. However, our former Secretary of Education, told me that the Even Start idea might be all right, but the best idea is to have the kids get into the parent's lap and have them read a story to them—I tried to tell him the parents can't read.

Over a period of years, we started out by giving a total grant and after a period of years, the local district must start kicking in.

Some schools have not accepted the challenge because they realize that some of the poorest areas will not be able to come up with the funds needed in the third and fourth years.

We need support.

We have to have more parental participation, we think parents have to be involved in determining curriculum, et cetera.

These are parents who cannot read. They need help to become literate. Then they can play the role that you or I can play in a preschool setting.

Let me review very quickly last week's experience.

First, I sat in a French class. That teacher has to be totally exhausted by the time she goes home because of her enthusiasm.

They had only studied French for nine weeks. Not one word of English was spoken in that class by the student or the teacher.

The only person who spoke English in the class was the observer. I don't understand French.

I did understand however, when she mentioned Wayne Gretsky.

The second period she had, was an average eleventh grade English class, English literature class.

If ever you expect to walk into a situation and see it fall flat on its face, it surely would be in an average eleventh grade literature class.

She had them so turned on, the only person who couldn't answer one or two of the questions again was the observer, not the students.

I mention that simply because there has to be a role for the private sector to make sure that we not only attract teachers like these to the classroom, but that we keep them.

I will give you an illustration.

Some on this committee every once in a while say how great NBA was, and I say it did nothing other than to provide the necessary education and training for my teachers to be stolen by the private sector.

They didn't come back.

If they did, they came back one year, then the private sector found them quite acceptable.

So the second role I am saying is again this profession has to become so important to everyone in the United States that those brightest and best and dedicated, not only enter teaching, but stay there. This is not what is happening at the present time.

Then I went to observe a first grade class. Seventeen years ago, I observed this teacher as a superintendent. I didn't think it was possible for her to become a better teacher.

She is an even better teacher today. She is a success story that stayed.

Then I taught a tenth grade at-risk class. I hope they are less at risk since I taught that class, but I am not sure. I am not sure how the placement came about, but nevertheless, somehow or other,

they are actively involved with the private sector, seeing the importance, one, of their education as it relates to the private sector; and two, the opportunities that are out there, if they get the academic training they need.

If they don't realize this, they are going to be dropouts by the time they reach drop-out age.

Last, I visited a school, five classes of special education youngsters.

There wasn't one retarded child in any of those classes. There also wasn't one child in any of those classes, unless something miraculous is done, that is ever going to help you folks in the business community.

The first youngster I sat beside for an hour is a 10-year-old child who is now in his eighth foster home. He has an IQ of 144.

As I sat beside him and encouraged him and patted him on the back about his ability to do mathematics, he just did more mathematics.

Those students need computers. They need many things that they now do not have to challenge those youngsters.

In one of the senior high classes, I had a better discussion on the Persian Gulf with three 18-year-old young men and one 17-year-old young woman, than I have had with anyone else in my district.

The one 18-year-old young man is there because his father used to beat him and his mother to the point where the mother's blood would be on the wall and the father would say, "I don't want anyone cleaning that off. I want to make sure everyone understands who the boss is."

I don't know what his future holds, but he is very, very articulate.

I am not sure what the role is, of the private sector. The schools are having difficulty getting these students into the vocational school for any part of the day . They are youngsters with high IQ's and who have had impossible lives.

When you mentioned the family, I said to the chairman, unfortunately, the family is becoming a thing of the past.

When we try to compare what was happening here, to education in Japan, you must look at the melting pot, broken family in America, and the stability that is still there. It is going to change because we have Americanized Tokyo, but at the present time, stability still exists.

But I givethose examples of last week's experience just to point out, in some cases, getting the best teachers, and keeping them in classrooms has to also be part of your responsibility, and then making resources available that you may not be able to use anymore in the private sector, would help. Getting those youngsters and those guidance counselors and teachers out into the private sector and vice versa is also very important.

I think Mr. Rogstad said research and development is certainly one of our responsibilities.

When anyone asks me what the responsibility is of the Federal Government, I say the two major responsibilities in education are research and development and dissemination of that research, the other being equal access to a good education.

Just some observations.

Mr. HURWITZ. I would like to comment, Mr. Goodling.

I think the experiences that you have just related demonstrate as clearly as anything could a sense of reality about what is happening in our schools.

I think it is terribly important that more people, business leaders and people in government develop the same sense of reality.

It seems to me that the only way you can do that is to spend time in the schools, to meet with teachers and superintendents and students and parents, to understand the texture of their lives, and I believe that is one of the great advantages of the business education partnership movement that has been ongoing for nearly a decade.

The school business partnerships adopt the schools and so forth. While they clearly are not the salvation of the public schools by any means, they provide an opportunity for business people to go into the schools and to see firsthand what is happening.

Your comment about the inter-generational nature of the problems I think is a terribly incisive comment.

We can't assume that there is a family intact and a mother who reads and encourages every child in this country.

That is far from the case and it is getting worse and not better, but there are programs that encourage literacy ad that provide parenting assistance that help both the child and the parent.

The chairman asked for examples, and I would like to cite another one.

In New Haven, Connecticut, in the middle schools, the Comer process, developed by Dr. James Comer of the Yale Study Center, is a process that engages parents in two activities of their children.

What Dr. Comer has discovered from this process is that it encourages parents, many of whom have had no education or little education to become educated themselves and in the process, they are not only better parents, but they also are encouraged to find job opportunities that may not have been available to them before that.

So I think that there are tremendous benefits to that kind of inter-generational activity.

Mr. HURWITZ. On the issue of teachers in this first report investing in our children, CED devoted an entire chapter to the very problem that you mentioned, that is the recruitment, retention, motivation and management of the Nation's teachers. Recognizing that there will be a shortage of qualified teachers in the decades to come, I think this is a real opportunity for us to find and attract and motivate young people. I think there are some encouraging signs.

The pay is higher, and we know in business that that is a tremendous incentive. But it certainly isn't the only incentive because the pay will never be comparable to that in the private sector, but we are finding among young people talented people who are now choosing education as a career who might otherwise have gone into the private sector, and it is an encouraging sign that they are better qualified.

There are college graduates who are performing quite well who are now being attracted to the teacher profession, and I think that is a very encouraging sign, and I think it is one that the business

community needs to continue to encourage because, as you said, when the head of IBM makes a statement, it does carry weight and influence that is terrible important. I think that is true of all business leaders in their own communities, and I just want to commend you for taking the time and the interest to go into your school district and to see first hand the problems and to relate them to your work here on the committee.

Mr. GOODLING. And we didn't allow the press to come.

Mr. KOLBERG. Mr. Goodling, I would like to comment, if I may, on your opening comments about the National goals. We as a group in this business coalition, we have talked to the committee, wrote to the White House several months ago saying essentially what I said this morning and saying essentially what you said. I am glad to hear that we are on the same side. I think what we just need to do is to continue to work down that line. This is not meant in any way to be critical of the progress that I think the President and the governors have made or that Governor Roemer and his colleagues are now making in the committee that he is working on furthering the National goals.

That need to be done. That is praise worthy. It is just that if one looks at it over a ten year effort that must be national, it needs to be understood by every parent in the school system you visited as well as every other school system so that we as a society see this as our task, and to do that it seems to me we need a much more carefully put together arrangement that has a lasting effort, is institutionalized, and so again we are working on different sides of the street perhaps, but we are working with you to try to do that.

Mr. HURWITZ. Mr. Goodling, I would also like to make just a few comments on your opening comments regarding comparisons. I think there is no question that the comparisons will be very difficult to implement and controversial if it is going to happen.

I would hope that if it is going to happen it could be done by developing some criteria as to access to information and the use that it would be put to so that it would hopefully be used for technical assistance, for rewards, for targeting staff development.

The dominant purpose or access to such information, I think, should be for school and learning improvement, and it should be used to help not hurt any students who we have historically failed, and I hope that if something can be done here it would be done with those kinds of objectives and conditions.

I would like to make a second comment, with regard to parents who are unable to do parenting. Many in the business community have been very active in supporting adult literacy programs in their employees and in their communities. In addition, there are many employees who have volunteered and who more and more are volunteering to do mentoring and counseling with individual students.

Perhaps the bright child, the mathematical gifted child that you talked about, perhaps he could be paired up with someone who could stimulate that further and help him move it along the line towards a good career. With regard to being actively involved with the private sector, I brought with me a small survey that we did a year or so ago of almost all our members asking them for just a little bit of input on some of their education partnerships and some

of the things they are doing in local communities, and it is 40 pages. I would be happy to leave it with you. There are many, many other examples of businesses active in local communities in partnerships doing, I think, many of the things that we all agree are very desirable.

Chairman HAWKINS. May I simply suggest that again, going back to this little booklet, the primer, that one good chapter is devoted to teachers, Bill, with a wonderful chart that I found very useful of supply and demand. There has been some controversy before the committee as to whether there is a shortage of teachers. I think that was answered in that chapter, also a chapter on assessment that I thought was very outstanding, and then I enjoyed the final chapter on time to move forward by our friend, Ernie Boyer, of the County Aid Foundation.

Bill, you suggested that my book was marked up. I am sending my material to the University of California Los Angeles for its archives, and I suggested that I would give them a clean copy, and they said, no, no, we prefer the copy you have marked up. I assure you it will not be any embarrassment to any of our witnesses today.

Mr. Gunderson.

Mr. GUNDERSON. Thank you, Mr. Chairman. I have been sitting here listening to all of this and coming to a couple of conclusions. The first is that the one common theme which seems to move through all of this from a Federal policy perspective is assessment, that you all seem to be talking about assessment of some form. In preparation for today's hearing my staff called some of the educators in my district to talk about Chapter 1, and the one big concern was the testing that was mandated by the 1988 changes, and in particular the net effect that testing is, if you do spring testing for second through fifth graders, that really means the second grader is tested in the first grade, so we run into conflict with groups such as the Association for the Testing of Young Children which opposes testing in the first grade.

Bill Goodling brought up, I think, an even bigger concern, and that is the danger in comparison of testing or assessment results. The two biggest school districts in western Wisconsin, Eau Claire and LaCrosse, also have the largest population outside of California. Now if you are going to begin testing first or second graders, and you are going to compare those tests nationwide, my two school districts, the two biggest school districts in my congressional district have got some image problems, and that is the problem with comparing testing.

They may be doing great things, and I would suggest they are doing great things for these young children who really can't even speak English, but I think you can begin to see we have got a real conflict here. How do we on a national level try to do assessment to compare internationally and deal with that internally from the business perspective, and I would go so far as to say the number one caveat of anybody in business as an individual or as a company in where they collate is the quality of the schools. Now, what impact is assessment in serving minority populations going to have on the business environment of that community? So you can see the Catch-22 that we are in here. I am not sure, while this is all

interesting and helpful, I am not sure it is really helpful. In other words, I am not sure what we have solved here today if we go back to assessments, so I am looking for some answer.

Mr. ROGSTAD. I draw a distinction in the use of assessments that you have really suggested here. One is to assess the relative performance of school systems across states and across school districts.

The second one is to assess students, hopefully in a construction where they want to be assessed because they have been asked to be held accountable and to measure up to something that we are talking about in terms of standards for skills for employability, and whatever, and they are quite active. I think you have suggested that, but I think that it would be very, very dangerous from a business standpoint to lose track of the importance of dealing with improved assessment so that in fact a potential employer and a student could conduct a better, more fruitful dialogue, lose that progress in the interest of putting information on the table that can damage the resource allocations based on examples across school systems and what have you.

I am not an educator, so I need to preface this, but looking at some detail when I get into assessment and what goes on on the NAEP side of things, this is a test that is very, very important for all the things you are talking about and yet I can still find no reason why a particular student is motivated to do well on that test.

He never sees the results, it never has anything to do with his performance as an individual student, so that in fact, I think at some point we need to worry about what it is that we are doing with individual students, paying attention to them, their motivation and why are they in school, why are they trying to do something and why are they trying to excel, and in measuring that and their performance as an individual and the assessment problems therein, recognizing we have another whole assessment problem, which is on a school district basis, but I would not want to see the latter, progress in the latter, however you choose to define it, cause us not to focus on what I think is a very immediate concern.

Mr. KOLBERG. Mr. Gunderson, there is no place to hide on this, as far as I am concerned. By all international testing comparisons the United States ranks last in math and science, behind Portugal, Spain, and other what we have recently considered third world countries, so as a Nation, even though the parents of the kids who go to some of the best schools in your district think their kids are getting a world class education, unfortunately they aren't, and this is true right across the board. Seventy-five percent of America's parents think that their schools are wonderful, except that graduates of their schools when compared with the average in Japan or Germany or Sweden, whatever our competitors may be, just don't measure up.

Mr. GUNDERSON. But, Bill, in fairness, we do have a universal commitment in this country that not every nation in the world has, and, you know, before we are too hard on our educational system and our test scores, I think we need to analyze the constituencies.

Mr. KOLBERG. I am not trying to be hard on them. It seems to me that it is time for fairly frank talk about where we are.

Mr. GUNDERSON. I am all for that.

Mr. KOLBERG. Let me just go on. You are probably familiar with the Grant Thornton Manufacturing location study that they do every year. To bear out your point, they have 16 factors that manufacturers rank states on, on the desirability of locating plants there. Education has now come in the last three years from tenth or eleventh to second, next to wages, and so what it means is in states more and more companies are doing exactly what you are talking about, and they are just not taking the word of whoever happens to be there, they are taking some differential measures, and I think that is the wave of the future. It is the wave of the future also for the Nation as a whole.

A well trained work force is going to be one of the principal components of competitiveness, so I think I would finally reiterate what I have said several times this morning, and that is that it seems to me that difficult as it is for individual school districts and states to adapt to the fact that we need to begin to think about educational performance in a national context, somehow we are going to have to do that if we are serious about meeting international standards and international competition.

Mr. GUNDERSON. Another thing has struck me this morning, and I don't mean—if this comes off as critical, it is not meant to be critical in any way. I am struck by the lack of discussions of what business is doing in terms of its participation in local education.

Bill Goodling brought up the need for computers. Unless I missed it in reviewing all of your testimony, I didn't hear any of you talk about what were the capital resources that business in America is contributing to that local education agency, and I don't think in any place there is a lack of commitment in education or to improved education.

There is a lack of money and resources, and so I am struck by the fact that none of you came here with any example of where a business or business generally is making major contributions in terms of capital, in terms of equipment or in terms of talent, all of which I think are essential.

I had a different kind of experience than Bill Goodling over the campaign recess. I presented a decoder—I work a lot with the hearing impaired, and I was given a decoder that I presented to one of my small schools that has all of the hearing impaired students from the Cesau district within that community, and I was struck by the fact that in 1990, this was the first television decoder to come to the hearing impaired program and to the families in northwestern Wisconsin and was told by the teachers that not one of the students or the school has a DCC, which is the telephone device for the deaf. Now why do I use these examples? Because they are nothing more than examples. But here we are dealing with a constituency, a minority constituency that happens to be handicapped only in their ability to hear, and no place has provided them the two basic essentials of allowing those students to participate in the education in the mainstream of that community, and so we ask ourselves why is there a lack of performance? Well, I will tell you there are a lot of reasons, but one of the reasons is someplace we haven't built this bridge between the standards those of us who have the resources and getting those to the people who need them, so I just have to share with you that whereas this dis-

cussion, and I have wrote down from the Federal level what I though were the six things that you all suggested we ought to be doing, I think we also need some examples that we can take to our communities and to our businesses, and perhaps what we need also is a real leadership effort on behalf of businesses not only getting together to tell us what the government should do but also figuring out what business can do to help make that what I call the industry education government partnership, the economic development triangle.

Mr. HURWITZ. Mr. Gunderson, I would like to comment on that. I think that there are many examples, school district after school district, of the kind of thing you cite, business contributing both in terms of capital resources and talent and in many ways to enrich and support their local education systems.

I think it would be a mistake for business to assume what I believe is a public role and a public responsibility in a local education system. I served for six years on the local school board in my community, and I think that the legitimacy of education in a democratic society is derived from the support by the public, and of course the business community is one important component of the public.

It pays taxes, and it is a community leader, and in that way can be a significant support, but I think it would be a mistake, and this may not have been your experience from your remarks, but I think it would be a mistake to suggest that the business community needs to pick up the role that the public, the citizens, the taxpayers in the local community and in the states across this country probably ought to assume.

Mr. GUNDERSON. You correctly interpreted my remarks, and I guess you and I have a basic philosophical difference. I would expect the teachers' union to come here in front of this committee and say it is the government's role to provide. I didn't expect four leaders from the business community to come here and say we want the government to do all that, not us.

Mr. KOLBERG. Mr. Gunderson, let me try. You are talking about things like adopt a school, and I think almost every school in the United States has been adopted by one or more businesses, but you see that isn't really what is going to——

Mr. GUNDERSON. If that is the case, show me the list in western Wisconsin because I don't think that has happened.

Mr. KOLBERG. I am not aware of what it is in your district, but out of the 83,000 schools, 60,000 or 70,000 have a direct relationship with business, but you see that kind of direct relationship, what we have been talking about here this morning, Mr. Gunderson, doesn't go to systematic change in the school district. Buying a computer here and there, and practically every reasonable sized manufacturer of computers has given away millions of dollars of computers, whether it is IBM, or Apple or you name it. More importantly, it seems to me, and I hope you agree with this, is when you get Mr. Scully or Mr. Pepper, the president of Procter and Gamble or the president of Liberty Bank in Louisville or how many other business people deeply involved in a change process, either leading or being a responsible partner in that process. That is what we are trying to say as business organizations is what we need to do, that we call feel good partnerships in the past are just that, but they don't go to

reforming this $200 billion industry that did not seem not to be meeting the needs of our society.

Mr. GUNDERSON. The only concern that I have is that all of us up here, and you, everybody in this room is guilty of the typical college intellectual discussion about what is good for education in America and the world. If I am going to pick up this discussion and bring this back home to my school administrators and teachers in my schools, they are going to say now, Steve, let me give you a dose of reality, and let's talk about the real life of education in Whitehall Public Schools on Tuesday, November 20th. It is very different. I think that is where we run the risk. Any of us can sit in the marble towers and send out the signals of what we think is the great education reform.

What we have got to find a way to do is to transform our ideas and our goals into reality. I think goals are good, but I think all of us here have got to take this to the next step, and that is why I am—and you people are the leaders of that. I don't expect the school superintendents, the state chief school office, and the teachers' association to come in here and tell me here is what we can do for ourselves, but I had hoped that you all can do that, and I still believe you can. Perhaps it is a different mission than looking at the early childhood intervention and focus of Chapter 1 and the at risk students that we are doing today.

Probably what we need is a follow-up. You were talking about a conference in that regard. Perhaps we need to focus on where we go from here.

Mr. HURWITZ. Mr. Gunderson, if I might add just another few sentences, I didn't come to the meeting to try to blow business' horn as to all of the wonderful philanthropy and contributions it is making at the local level.

I am glad I brought this booklet, though. It does have about a paragraph from 185 or 186 of our members. It is not a very full statement, but I think that if you read it, you would be amazed with the many hundreds of imaginative and I think some very generous programs that those companies are undertaking at the local level, and I will see whether I can find something that might be a little better and send it to you.

Mr. GOODLING. Will the gentleman yield?

Mr. GUNDERSON. Sure.

Mr. GOODLING. I think what my colleague is point out is that it depends where you are, how successful these programs are or whether they are even available. It surprises me that the Chairman didn't speak about this initially. There is a different per pupil expenditure throughout the country. This is why, when you get into the assessment business, as I indicated, you have to be very, very careful because if the expenditure is $1000 per pupil in one district and $4000 per pupil in another district, logic would say something much better should be happening.

I don't know that it is, but business participation should be happening in the schools. I think probably what Steve is talking about is that in some areas scollls are very, very fortunate with the participation.

For instance, when Dr. McKenzie was here, she had a very close working relationship with IBM and some other companies which

was very, very beneficial to her students. In many areas, of course, that doesn't take place. Someone mentioned the mentor business. I think that would be a great role. The offices here, have an opportunity to take a student from the city schools and be that student's mentor. My staff has adopted a young man. It is amazing to note the changes just in his ability to communicate and his ability to look you in the eye and speak, as a matter of fact. They have given him all the opportunities he has never had, and that is something I was trying to point out in relationship to those special education youngsters who are academically talented but they need some guidance badly.

Mr. GUNDERSON. Thank you. Thank you. Sure. I am not trying to cut you off.

Mr. ROGSTAD. Mr. Gunderson, I would like to comment to you on what we are trying to do in Vital Link. I don't think it is the only project of its type. It is to go into in behalf of business and community leaders, and the schools to go into specific labor market areas, two or three high schools with the preponderance of firms that are going to employ from those schools, and to work it right in the classroom level all the way through.

We have got teachers involved; we have got school administrators; we have got community leaders, and it is hands-on, down and dirty kind of stuff, and I go back to Mr. Goodling's comment about the Federal role is just not R&D, but it is dissemination. We have asked and indeed have gotten some significant cooperation from Assistant Secretary Jones in the Labor Department, especially in terms of how we set these up so that we have got some assessment in evaluation that will facilitate best practices being identified here and beginning to disseminate what we learned from these demonstration projects to other school area labor market areas in the country, and it is in the R&D dissemination area. Therefore I would suggest to you that there are probably more of these systemic attempts on the part of business and education to begin to try to grasp with how we roll this up, not just talk about it, role it out and develop some best practices in these issues, and one of the things that is going on here that I think we need to focus on is some of this is still among the best kept secrets we have, and we need to talk about them.

Mr. GUNDERSON. Thank you all. Thank you, Mr. Chairman.

Chairman HAWKINS. Thank you. Well, gentlemen, I am sure we have kept you much longer than we had anticipated, but it has been interesting and very rewarding, I think, and again on behalf of the subcommittee, I wish to express its appreciation for your contribution. It seems like we have a warm partnership for the future if we intend to do all the things we talked about today, and we certainly solicit your cooperation and help. We have enjoyed it and we certainly hope to continue the same friendship in the future.

Thank you again for your contribution.

[A recess was taken.]

Chairman HAWKINS. The subcommittee will come to order.

The afternoon session as the continuation of the session on oversight on the implementation of the Hawkins-Stafford Amendments of 1988.

This afternoon we are pleased to welcome our witnesses, Mr. John T. MacDonald, Assistant Secretary of Elementary and Secondary Education, U.S. Department of Education, accompanied by Betsy Brand, Assistant Secretary, Vocational and Adult Education and Mr. Gordon Ambach, the Executive Director of the Council of Chief State School Officers, accompanied by Ms. Hanna Walker, Manager, Compensatory Education, California Department of Education.

We are very pleased to welcome both witnesses. I think you are aware that the committee is interested as part of its oversight, in what is happening in the Chapter 1 program in particular and such other programs that are related thereto and that we are very pleased to have both of the witnesses before us today.

The statements in their entirety will be entered in the record and the witnesses may deal with them as they so desire. We would prefer to have some time left for questioning so that we may focus in on some of the more specific questions that we may have for you.

Mr. MacDonald, we will begin with you. Again, we express our appreciation for your attending the afternoon session.

STATEMENT OF DR. JOHN T. MACDONALD, ASSISTANT SECRETARY, ELEMENTARY AND SECONDARY EDUCATION, U.S. DEPARTMENT OF EDUCATION, ACCOMPANIED BY BETSY BRAND, ASSISTANT SECRETARY, VOCATIONAL AND ADULT EDUCATION

Dr. MACDONALD. Thank you, Mr. Chairman and Mr. Goodling. I am very pleased to appear before you today to discuss the Department of Education's implementation of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, Public Law 100-297.

Mr. Chairman, two years ago, you and your colleagues in the 100th Congress produced the landmark Hawkins-Stafford bill. That truly bipartisan effort took notable steps toward improving elementary and secondary education in a number of significant ways.

It provided for parental choice through an improved Magnet Schools program. It provided greater flexibility to local school districts in implementing bilingual education and Chapter 1 schoolwide projects. It enhanced parental involvement in programs for disadvantaged children. And it stimulated education innovation and reform.

The Department of Education has moved forward expeditiously and thoroughly in implementing this important law, and we are proud of our record. I would like to highlight for you some of the actions we have taken.

As a result of this important piece of legislation, the Department has implemented 22 new programs. Among these are Chapter 1 Concentration grants, which target additional resources on districts with a significant portion of low-income families; Even Start, which integrates early childhood education and adult education for disadvantaged parents into a unified program; the Fund for the Improvement and Reform of Schools and Teaching, which supports a variety of activities to improve student and teacher performance, as well as innovative family-school educational partnerships; the

Javits Gifted and Talented Program, which supports research, demonstration, and related activities to help identify and meet the special needs of gifted and talented students, especially among the disadvantaged, limited English proficient, or disabled; and English Literacy Grants, designed to assist adults of limited English proficiency.

The Department began planning for implementation of the Hawkins-Stafford Act prior to enactment. We have published, on a timely basis, all final regulations required under the bill for currently operating programs.

During the regulatory development process, we made great efforts to ensure wide public participation. As a result, we received a tremendous number of public comments. For example, we received and considered almost 5,000 public comments on the Chapter 1 Migrant Education regulations alone.

We also successfully carried out statutory requirements for regional meetings and regulatory negotiation under Chapter 1, holding five meetings around the country and conducting regulatory negotiation in Washington to determine the content of the proposed rules. This was the Department's first-ever use of negotiated rulemaking procedures in development regulations.

An independent evaluation of this effort found that, although the use of negotiated rulemaking is not appropriate for the Department's grant programs, participants believed the Department had carried out the process in an exemplary manner. We were really interested in getting the opinion of the field.

In addition, we gave the states a great deal of flexibility in accounting for Federal funds under Chapters 1 and 2, including the Chapter 1 LEA, Migrant, Neglected and Delinquent, and Handicapped programs, and the Chapter 2 Block Grant program.

Specifically, the states have the option to use their own fiscal control procedures rather than the Federal guidelines. This has been very, very popular with many of the governors.

As you know, the Hawkins-Stafford Act mandated a variety of studies, assessments, and evaluations. These include nine studies that the Department is currently conducting or has completed.

For instance, the Chapter 1 Longitudinal Study "Prospects" will assess the impact of significant participation in Chapter 1 programs on outcomes for students and young adults. Data collection will begin this year. In addition to surveying Chapter 1 participants and comparable students, the study will involve interviews of teachers, principals, administrators and parents.

The Act also mandated an evaluation of the Even Start program. This study will provide comprehensive data on participants, services, coordination, implementation, and staff training, as well as an in-depth assessment in selected sites.

The National Center for Education Statistics has launched the mandated National Assessment of Adult Literacy. This study will assess for the first time a nationally representative sample of adults to develop a comprehensive description of literacy in the U.S., thus providing valuable information for the Nation in assessing the literacy needs of our adult population.

The Department has undertaken several studies and surveys that—while not mandated by the Hawkins-Stafford Act—are in re-

sponse to it. These include the Chapter 1 Implementation Study, which is examining local implementation of new program requirements through an LEA mail survey and site visits to states, local educational agencies and schools. Information will be collected on program improvement, schoolwide projects, evaluation procedures, and parental involvement.

We also conducted, in January 1990, a state survey on the new Chapter 1 program requirements. This survey revealed that states were moving slowly to improve programs; that Chapter 1 state coordinators called the program improvement provisions "burdensome," ranking them as a low priority; and that most states set only minimum achievement standards as the bench mark for identifying schools in need of improvement.

The results of the survey have confirmed that the areas in which the Department has focused its technical assistance efforts are appropriate. The Department also plans to conduct a follow-up state survey in school year 1991-92 to further assess the states' progress in implementing the new program requirements.

As also required by the Act, the Department has established the National Assessment Governing Board, the FIRST Board, and the Study Panel on Educational Indicators. The National Assessment Governing Board meets often to offer policy advice for the National Assessment of Educational Progress, including the new trial state-level assessments in mathematics and reading.

The FIRST Board meets at least twice a year to advise the Secretary on funding priorities and recently co-hosted a conference on school-university partnerships with the FIPSE Board.

The Special Study Panel on Education Indicators is identifying those issues about which education policy makers desire better information. The panel will issue its report in the summer of 1991. Pursuant to the Act, we also established a national clearinghouse on literacy education for individuals of limited English proficiency.

In response to other mandates in the law, the Department developed, within 60 days of enactment, a definition of a school dropout and it submitted the first annual report on high school dropout and retention rates.

In order to ensure that programs authorized by the Hawkins-Stafford Act are carried out effectively, we have been working with the states and local districts in providing program guidance and technical assistance. For example, this past winter, we held eight regional meetings on Chapter 1 program improvement requirements and strategies. These meetings were attended by over 3,000 participants—representatives from all states, local school district administrators, teachers and parents.

We used these meetings to provide assistance on evaluation standards, how to identify schools needing improvement and how to bring that improvement about. We encouraged the participants to have high expectations and to set more rigorous achievement standards than the minimum required by law.

As a result of these meetings, we have identified nine sites—five urban and four rural—to which the Department will provide extensive technical assistance for program improvement. We have devoted resources through our technical assistance centers to providing on-site assistance to these programs.

We expect these programs to become case studies on how districts can improve programs at individual schools. For the future, we are planning additional meetings with states and local school districts devoted to program improvement.

Other examples of program guidance and technical assistance include an upcoming meeting this December to provide assistance to Chapter 1 districts interested in establishing schoolwide projects; two regional meetings in November and December this year to provide assistance to Even Start projects; regional meetings last year to explain the Chapter 1 LEA Grants regulations; regional meetings last year to provide guidance to states on evaluating the effectiveness of their Chapter 2 programs; an explanation of changes in the Drug-Free Schools program at the annual National Conference on Drug-Free Schools and regional meetings to provide guidance on new requirements; an explanation of revised Adult Education regulations at regional meetings with state directors; meetings last year with the Eisenhower Mathematics and Science State coordinators on model reporting standards; and the establishment of a National Forum on Educational Statistics, consisting of State and Federal officials, as the new mechanism for providing policy advice for the new Federal-State cooperative statistics system.

As you know, we developed and are widely disseminating a Chapter 1 policy manual, as required by statute, on how to implement different approaches to providing services to disadvantaged children. As part of the manual, we included for the states nonregulatory guidance that informed them of the substantial flexibility possible in their administration of the Chapter 1 program.

For example, we explained how Chapter 1 equipment can be used after hours for other instructional purposes, we provided guidance on how Chapter 1 services could be provided to students in the regular classroom, and we gave them suggestions on how to provide services to homeless children.

We are also encouraging school districts to address the need for present programs so that their disadvantaged children come to school ready to learn, rather than facing remediation needs in later years.

We will continue to provide this kind of guidance and technical assistance to states and school districts, stressing the flexibility that is available to them and encouraging them to develop creative educational approaches.

Following enactment of the Hawkins-Stafford Act, the Department quickly and efficiently revised a number of program operations. For instance, we made eligible a new group of BIA-operated schools for Indian Education formula grants. We implemented the new accountability provisions of the Drug-Free Schools program. We put into place changes for Impact Aid Section 3 regarding the payment "waves," the hold-harmless requirements.

We implemented new provisions related to the National Assessment of Educational Progress, including the functions of the National Assessment Governing Board, and expansion of the assessment to include collection of state data on a trial basis in 1990 and 1992.

We put into place a number of new requirements related to the operations of the National Center for Education Statistics, includ-

ing confidential treatment of data, establishment of a National Cooperative Education Statistics System, the conduct of various data collection programs on mandated cycles, and collection of data on public libraries.

Finally, we have taken a number of actions in the area of enforcement and audits. We have put into place a substantially revised system for enforcement of grant conditions in most Department programs. We have established a new Office of Administrative Law Judges to replace the Education Appeal Board.

We have published a comprehensive set of procedural regulations governing the recovery of funds, and staff of the Office of the General Counsel have conducted briefings with Department staff to help them become thoroughly familiar with the new procedures.

These examples demonstrate that we have been aggressive in implementing the requirements of the statute as well as promoting the opportunities it affords our Nation's youth. Services to at-risk children has been and remains a top priority of the Department and the administration.

With that, Mr. Chairman, I would like to add a personal note. My personal thanks to you for your years of service and for providing this educator with an opportunity to serve children much more widely and thoroughly than I could have done if I had to depend strictly on what was available to me locally.

With that, Mr. Chairman, we will be pleased to answer any questions you may have.

[The prepared statement of Dr. John T. MacDonald follows:]

DEPARTMENT OF EDUCATION

Witnesses appearing before the
Subcommittee on Elementary, Secondary and Vocational Education
House Committee on Education and Labor

Dr. John T. MacDonald

Assistant Secretary for
Elementary and Secondary Education

accompanied by

Betsy Brand

Assistant Secretary for
Vocational and Adult Education

November 20, 1990

DEPARTMENT OF EDUCATION

Statement of John T. MacDonald

Assistant Secretary for Elementary and Secondary Education

Before the

Subcommittee on Elementary, Secondary and Vocational Education

House Committee on Education and Labor

November 20, 1990

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss the Department of Education's implementation of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, P.L. 100-297.

Mr. Chairman, two years ago, you and your colleagues in the 100th Congress produced the landmark Hawkins-Stafford bill. That truly bipartisan effort took notable steps toward improving elementary and secondary education in a number of significant ways. It increased program accountability in the Chapter 1 and Drug-Free Schools programs. It provided for parental choice through an improved Magnet Schools program. It provided greater flexibility to local school districts in implementing bilingual education and Chapter 1 schoolwide projects. It enhanced parental involvement in programs for disadvantaged children. And it stimulated education innovation and reform. The Department of Education has moved forward expeditiously and thoroughly in implementing this important law, and we are proud of our record. I would like to highlight for you some of the actions we have taken.

New Programs

As a result of this important piece of legislation, the Department has implemented 22 new programs. Among these are Chapter 1 Concentration grants,

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which target additional resources on districts with a significant portion of low-income families; Even Start, which integrates early childhood education and adult education for disadvantaged parents into a unified program; the Fund for the Improvement and Reform of Schools and Teaching, which supports a variety of activities to improve student and teacher performance, as well as innovative family-school educational partnerships; the Javits Gifted and Talented program, which supports research, demonstration, and related activities to help identify and meet the special needs of gifted and talented students, especially among the disadvantaged, limited English proficient, or disabled; and English Literacy Grants, designed to assist adults of limited English proficiency.

Development of Regulations

The Department began planning for implementation of the Hawkins-Stafford Act prior to enactment. We have published, on a timely basis, all final regulations required under the bill for currently operating programs.

During the regulatory development process, we made great efforts to ensure wide public participation. As a result, we received a tremendous number of public comments. For example, we received and considered almost 5,000 public comments on the Chapter 1 Migrant Education regulations alone. We also successfully carried out statutory requirements for regional meetings and regulatory negotiation under Chapter 1, holding five meetings around the country and conducting regulatory negotiation in Washington to determine the content of the proposed rules. This was the Department's first-ever use of "negotiated rulemaking" procedures in developing regulations. An independent evaluation of this effort found that, although the use of negotiated rulemaking is not appropriate for the Department's grant programs,

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participants believed the Department had carried out the process in an exemplary manner.

In addition, we gave the States a great deal of flexibility in accounting for Federal funds under Chapters 1 and 2, including the Chapter 1 LEA, Migrant, Neglected and Delinquent, and Handicapped programs, and the Chapter 2 Block Grant program. Specifically, the States have the option to use their own fiscal control procedures rather than the Federal guidelines. The governors have been very pleased with this added flexibility.

Studies and Other Related Activities

As you know, the Hawkins-Stafford Act mandated a variety of studies, assessments, and evaluations. These include nine studies that the Department is currently conducting or has completed. For instance, the Chapter 1 Longitudinal Study, "Prospects," will assess the impact of significant participation in Chapter 1 programs on outcomes for students and young adults. Data collection will begin this year. In addition to surveying Chapter 1 participants and comparable students, the study will involve interviews of teachers, principals, administrators, and parents. The Act also mandated an evaluation of the Even Start program. This study will provide comprehensive data on participants, services, coordination, implementation, and staff training, as well as an in-depth assessment in selected sites. The National Center for Education Statistics has launched the mandated National Assessment of Adult Literacy. This study will assess for the first time a nationally representative sample of adults to develop a comprehensive description of literacy in the U.S., thus providing valuable information for the Nation in assessing the literacy needs of our adult population.

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The Department has undertaken several studies and surveys that--while not mandated by the Hawkins-Stafford Act--are in response to it. These include the Chapter 1 Implementation Study, which is examining local implementation of new program requirements through an LEA mail survey and site visits to States, local educational agencies and schools. Information will be collected on program improvement, schoolwide projects, evaluation procedures, and parent involvement. We also conducted, in January 1990, a State survey on the new Chapter 1 program requirements. This survey revealed that States were moving slowly to improve programs; that Chapter 1 State coordinators called the program improvement provisions "burdensome," ranking them as a low priority; and that most States set only minimum achievement standards as the benchmark for identifying schools in need of improvement. The results of the survey have confirmed that the areas in which the Department has focused its technical assistance efforts are appropriate. The Department also plans to conduct a follow-up State survey in school year 1991-92 to further assess the States' progress in implementing the new program requirements.

As also required by the Act, the Department has established the National Assessment Governing Board, the FIRST Board, and the Study Panel on Education Indicators. The National Assessment Governing Board meets often to offer policy advice for the National Assessment of Educational Progress, including the new trial State-level assessments in mathematics and reading. The FIRST Board meets at least twice a year to advise the Secretary on funding priorities and recently co-hosted a conference on school-university partnerships with the FIPSE Board. The Special Study Panel on Education Indicators is identifying those issues about which education policymakers desire better information. The Panel will issue its report in the summer of

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1991. Pursuant to the Act, we also established a national clearinghouse on literacy education for individuals of limited English proficiency.

In response to other mandates in the law, the Department developed, within 60 days of enactment, a definition of a school dropout; and it submitted the first annual report on high school dropout and retention rates.

Program Guidance and Technical Assistance

In order to ensure that programs authorized by the Hawkins-Stafford Act are carried out effectively, we have been working with the States and local districts in providing program guidance and technical assistance. For example, this past winter, we held eight regional meetings on Chapter 1 program improvement requirements and strategies. These meetings were attended by over 3,000 participants--representatives from all States, local school district administrators, teachers, and parents. We used these meetings to provide assistance on evaluation standards, how to identify schools needing improvement and how to bring that improvement about. We encouraged the participants to have high expectations and to set more rigorous achievement standards than the minimum required by law. As a result of these meetings, we have identified nine sites--five urban and four rural--to which the Department will provide extensive technical assistance for program improvement. We have devoted resources through our technical assistance centers to providing on-site assistance to these programs. We expect these programs to become case studies on how districts can improve programs at individual schools. For the future, we are planning additional meetings with States and local school districts devoted to program improvement.

Other examples of program guidance and technical assistance include an upcoming meeting this December to provide assistance to Chapter 1 districts interested in establishing schoolwide projects; two regional meetings in November and December this year to provide assistance to Even Start projects; regional meetings last year to explain the Chapter 1 LEA Grants regulations; regional meetings last year to provide guidance to States on evaluating the effectiveness of their Chapter 2 programs; an explanation of changes in the Drug-Free Schools program at the annual National Conference on Drug-Free Schools and regional meetings to provide guidance on new requirements; an explanation of revised Adult Education regulations at regional meetings with State Directors; meetings last year with the Eisenhower Mathematics and Science State coordinators on model reporting standards; and the establishment of a National Forum on Educational Statistics, consisting of State and Federal officials, as the new mechanism for providing policy advice for the new Federal-State cooperative statistics system.

As you know, we developed and widely disseminated a Chapter 1 policy manual, as required by statute, on how to implement different approaches to providing services to disadvantaged children. As part of the manual, we included for the States non-regulatory guidance that informed them of the substantial flexibility possible in their administration of the Chapter 1 program. For example, we explained how Chapter 1 equipment can be used after hours for other instructional purposes, we provided guidance on how Chapter 1 services could be provided to students in the regular classroom, and we gave them suggestions on how to provide services to homeless children.

We are also encouraging school districts to address the need for preschool programs so that their disadvantaged children come to school ready to learn, rather than facing remediation needs in later years.

We will continue to provide this kind of guidance and technical assistance to States and school districts, stressing the flexibility that is available to them and encouraging them to develop creative educational approaches.

Changes in Program Operations

Following enactment of the Hawkins-Stafford Act, the Department quickly and efficiently revised a number of program operations. For instance, we made eligible a new group of BIA-operated schools for Indian Education formula grants. We implemented the new accountability provisions of the Drug-Free Schools program. We put into place changes for Impact Aid Section 3 regarding the payment "waves," the hold-harmless requirements, payments to coterminous districts, and payments for special education students. We implemented new provisions related to the National Assessment of Educational Progress, including the functions of the National Assessment Governing Board, and expansion of the assessment to include collection of State data on a trial basis in 1990 and 1992. We put into place a number of new requirements related to the operations of the National Center for Education Statistics, including confidential treatment of data, establishment of a National Cooperative Education Statistics System, the conduct of various data collection programs on mandated cycles, and collection of data on public libraries.

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Finally, we have taken a number of actions in the area of enforcement and audits. We have put into place a substantially revised system for enforcement of grant conditions in most Department programs. We have established a new Office of Administrative Law Judges to replace the Education Appeal Board. We have published a comprehensive set of procedural regulations governing the recovery of funds, and staff of the Office of the General Counsel have conducted briefings with Department staff to help them become thoroughly familiar with the new procedures.

These examples demonstrate that we have been aggressive in implementing the requirements of the statute as well as promoting the opportunities it affords our Nation's youth. Services to at-risk children have been and remain a top priority of the Department and the Administration.

Thank you very much, Mr. Chairman. We will be happy to answer your questions.

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Chairman HAWKINS. Thank you for your gracious remarks.

Let us hear from Mr. Ambach, and then we will direct questions to the two of you.

Mr. Ambach, in your statement, it has been called to my attention by Mr. Goodling; there is a reference on page 4 to the states, that they were moving rather slowly to improve the program and that state coordinators called program provisions burdensome.

Mr. GOODLING. That was the Secretary's statement.

Chairman HAWKINS. Yes, but I was asking Mr. Ambach if he would——

Mr. GOODLING. He is the one who should——

Chairman HAWKINS. [continuing] respond to the statement concerning the states, and since he happens to be representing a section of the states, I thought that he might include something in his statement. I would say not as a rebuttal, but some explanation.

Chairman HAWKINS. Would you proceed, Mr. Ambach?

STATEMENT OF GORDON AMBACH, EXECUTIVE DIRECTOR, COUNCIL OF CHIEF STATE SCHOOL OFFICERS, ACCOMPANIED BY HANNA WALKER, MANAGER, COMPENSATORY EDUCATION, CALIFORNIA STATE DEPARTMENT OF EDUCATION

Mr. AMBACH. Good afternoon, Mr. Chairman, and thank you for the prompting. I will try to respond appropriately.

Mr. Chairman, Congressman Goodling, Congressman Gunderson, my congratulations to you both for your reelection. As I look on the wall, seeing that very handsome portrait of you, which we are so pleased and honored to have in this room, I realize that your oversight of the proceedings on Chapter 1 and other Federal programs will continue forever, and you can be assured that this witness will remember you always, as my colleague Jack MacDonald has just said, for the enormous contributions that you have made and are continuing to make right through until the conclusion of this term with respect to the Elementary and Secondary Education Act and particularly Chapter 1. I thank you for the leadership that you have extended.

I have provided a written testimony, Mr. Chairman and Members of the committee. I would prefer not to read it, but would prefer to comment about some of the key points that are in that statement if that is acceptable.

I certainly will cover the points that have just been referred to with respect to the pace of implementation on program improvement. I will concentrate my remarks on program improvement. I will be pleased to respond to other questions, but I think that because that component of the Chapter 1 amendments was, and we believe is, so critical for future effectiveness of that program, that at this stage this oversight hearing ought to center on program improvement.

May I make one key observation against which I believe all the rest of the discussion should rest? Right now there are identified 6,300 schools having Chapter 1 children in this country, schools identified as in need of program improvement. The task of working with those 6,300 schools if we note the amount of money which is

involved directly in technical assistance for program improvement is an enormous one.

The appropriation is $12.2 million, which means that there is in this year less than $2,000 for technical assistance per school of those 6,300 schools for purposes of trying to help to shape and guide improvement in those schools. That is money which is meant for specific leverage. That should be used with the substantial increase in the overall appropriation for Chapter 1 which was made just these past months, a very important action which you took.

But I do want to point out that central fact that right now we are in business with 6,300 of these schools. It is the overall concern for the five million children who are served by Chapter 1. The importance of making certain that that service is effective, that our council was in the first instance perhaps one of the strongest supporters of the concept of program improvement and continues to be, and I want to assure the Members of this subcommittee that we will continue to do everything that we can as a council and with the chief state school officers to make certain that program improvement reaches the potential which you have had for it not only within the Chapter 1 context, but it is used as a very important item of leverage in expanding program improvement for other programs both state and federally funded.

I think it is important for us to remember what program improvement was all about in this context of Chapter 1 amendments in 1988. Certainly all schools ought to be improving their programs. That should be a cardinal principle, that we are always trying to improve what each school does.

But program improvement here placed a specific focus on pupil performance or student results, a focus school by school on progress being made not grade by grade and not project by project; it isn't looking just at English or just at math; it is trying to look across the entire school to determine as to whether there is progress. It is a concept which focused an interest not only on Chapter 1 students but on those students in comparison with other students.

The objective of Chapter 1 has always been to provide an acceleration of achievement for those students so they would catch up to the rest of the students.

Fourth, program improvement has targeted on the lowest performing schools.

And fifth, program improvement has brought about a new combination of state and local energies and resources in order to help to gain improvements in these schools.

Now, those were the central concepts and they are direct and very simple concepts, but it must be understood that in the implementation of those concepts we have realized the depth of complexity and the importance of doing it right. Take, for example, the issue of identification of the particular schools.

I know that Mr. Goodling, Mr. Gunderson and you, Mr. Chairman, and I and others in discussing these concepts in 1988 had considerable discussion about how one would set the measures against which one would weigh the question of whether there was improvement or whether there was not, whether one would rely on standardized test scores, and how much of that you could specify in the

law or how much of that would have to be left for interpretation and development at the state and the local level.

Ultimately, of course, was the single measure that was put in there, either you had to have program improvement so that there would be either something more than zero growth or a decline.

Now, as all of that has been translated by the states and the localities into specific measures, there have been difficulties in determining just exactly how to set these levels of standards in the localities in the states. We are confident that a great deal of progress has been made here, and particularly are confident that what were relatively minimum standards, as minimum standards were set by the Congress and minimum standards were set by the Department, were in fact put in place.

The policy report done in January of 1990 found no state out of compliance on this. It found a concern, and it is one we all share, that they were by and large working at the minimum level.

I think one of the key questions is: why was that a tendency? I will tell you that one of the key reasons was that this was uncharted ground. There was not a certainty as to how many different schools would in fact be identified, and that had to be played off against the question of how many resource were available to assist these schools.

The whole point of identifying them was to make certain that technical assistance and attention could be placed on those schools in order to make sure that a difference could be made. Of course, the very act of identification as all of us know in operating state assessment systems is an extremely important act because the identification causes things to happen, it causes people to bring about attention. That was part of the importance of program improvement.

But the real connector was connecting up the numbers of schools identified with the direct assistance that could be provided. If there was a prudent start, if these standards began at a relatively low level—mind you again all in compliance with the requirements both regulatory and statutory—it seems to me that the most important fact is that we can see now in several of the states those standards increasing, and I will predict that that is what will happen.

The State of Wisconsin, Congressman Gunderson, I have a report which I received just yesterday, a very significant change being proposed in the rates and the standards, if you will, for the identification of those schools under program improvement. On the point of the overall context of program improvement and the point of implementation, this general context of why it is that certain administrative decisions have been made is extremely important.

I think there is one other factor of background that needs to be cited here and that is that the program improvement concepts pushed a very important partnership of the states and the localities in working directly with schools. There were in many of the states activities by state education agencies which were focused on specific schools, but that had not been the case all across the country.

An important consideration of the program improvement concept is the focusing of energy and attention by state and local agencies

on specific schools within a district that need particular attention. But it is clear from the policy study report with respect to the role of the committees on practitioners, with respect to the questions of participation by parents and teachers again in breaking new grounds, that there were very, very important steps to go through before certain things could be done in the very first year of implementation.

With that background, let me turn to brief comments about three of the key points in the Secretary's letter which come from the study which was done in January of 1990, and then I will turn very briefly to some updates of results which we have secured through the good offices of the Chapter 1 coordinators.

I say all of that in the sense that we will continue to provide updates; we will continue to monitor this, as I know you will, because of our commitment to the overall concept.

The first point that I wish to comment on is the characterization that the implementation of program improvement is a low priority and is burdensome. I hope you looked in that report to see what the questions were, that the question is whether it is a burden in order to implement that program.

If someone says it is a burden, it means they are paying attention to it and have to deal with it. I don't consider that a pejorative comment. I think that was a candid recognition of Chapter 1 coordinators that this was important, a burden, and they needed to get on with it.

Mr. GOODLING. But how about if it is coupled with——

Mr. AMBACH. The other side of necessity.

Mr. GOODLING. Ranking that with a low priority?

Mr. AMBACH. I would invite a look through that list of different items and I think you will see that in fact it is a duplicative list. If you ask the question about being concerned with assessment and you try to separate that from being concerned with program improvement that is wrong.

If you pick out the different elements on that listing of what was an order of priority, I think you will see that the components that have to go into the implementation of a program improvement plan which have to deal with students and assessments are up there high on the list, and I would point out that I have in my written text that if you add together the numbers of states placing in the top five of this list of 19, what are high priorities, you have up to 50 percent of the states which adding the pieces of information in a different way than was done, the study indicates that up to 50 percent consider that program improvement was in the top five.

I would repeat the timing for this—you have to keep in mind regulations are out in May 1989. The policy manual from the Department of Education is out in October 1989. Schools had been identified in the summer of 1989, and now we are into January of 1990, when the review by the policy study group was undertaken.

I think frankly it is not surprising that in many, many respects the program—one, coordinators at that time were dealing with very, very critical issues of student education of assessment, and so on. Would I have wished that this might have come higher on the list? Yes, just as I think you would. But I think that the interpreta-

tion given in that particular review by a check list of items and whether this pushed it to the bottom is wrong.

I don't believe that that is really the case, Mr. Goodling. I think what is much more important is the question of what do we learn as we survey right now by way of the proportions of time that Chapter 1 coordinators are placing on the implementation of program improvement, and as I have indicated on page 6 of the survey that the Chapter 1 coordinators completed just a month ago, indicating over half are committing at least 25 percent of their time on this activity and one fourth spending one third to one half of all of their time in the administration of Chapter 1 on the issue of program improvement.

I think that is the important indicator, where we have gone from January 1990 to now and what does the trend look like for the future.

I hope that is responsive to your question.

Mr. GOODLING. Yes.

Mr. AMBACH. The second general point that is made in the Secretary's letter has to do with the use of minimal achievement standards. I have already spoken to that to some extent. I have elaborated on that point in the written statement.

I think we must recognize one thing that the study reported, and that was the committee's practitioners in the survey that was taken, in many instances tended to discourage a higher statewide standard. I know that some anticipated perhaps that would happen in 1988, and that was in fact the case.

The summary of this point I think is that no state was found out of compliance with respect to this. The concern is whether there is a trend in the right direction, and that is from what may have been an acceptance of minimal levels, and as I have pointed out before, in many cases because of the concern of being able to match the numbers of schools identified to the resources available to be able to put on their improvement, that the trend is clearly one in the direction of increasing those standards, and indeed I think there is an even more encouraging evidence from some of our states where the states—Vermont is an example—are moving to incorporate the concepts of program improvement for all of their Chapter 1 schools rather than just those that might be identified by the minimal criteria.

My last point with respect to the Secretary's letter has to do with the observation in January 1990 that only eight states had begun to spend their program improvement funds and the points that need to be made there I have already cited in the sense of what was the timetable for implementation, but in particular, we must remember the requirement that was put in place by the Department of Education, that there must be a concurrence by the teachers and parents or their representatives at each school level before there could be any expenditure of funds by the state for program improvement in that school.

Since these groups, since these activities in these schools were proceeding in the fall of 1989 in the planning, many of them had simply not reached the conclusion as to which way they wanted their program improvement money to be used by the time of Janu-

ary 1990. So the states were holding back because they were required to hold back.

Once again, the importance is what is the trend. As of now, all of the fiscal year 1989 program improvement money has been committed and all of the funds which are in there for fiscal year 1990 are right now in the pipeline on their way out to the schools for program improvement. So by any test of looking at January 1990 and looking now, I think we see a very, very significant advance by way of what was intended, namely to get these program improvement funds out but to make sure that they went out on the ground rules established: that the teachers, parents, local authorities were primarily involved in the determination of how they should be used.

Mr. Chairman and Mr. Gunderson, I think I have covered most of the points which I had wanted to make and are provided in the written statement. I would like to conclude with one other general note of the context for program improvement and why we think that it was such an important concept to build in to 1988 and why we believe that it will become a more and more important component.

When that was built in in 1988, it really was built in on a presumption that there were data systems, that there were assessment systems, that there had been research, there had been school effectiveness work done which could be built upon in order to make a change in Chapter 1. Where those were in place, they were in place primarily because programs like Chapter 2 and other programs under ESEA had provided them in preceding years and where states perhaps had built up systems of assessment, et cetera.

But the program improvement concept helped to weld all that together for a specific use of targeting money on those schools and children most in need. I will predict that as this decade unfolds, that this concept of program improvement will become as important as a concept in the overall strengthening and advance of education in this country as was the initial enactment of Chapter 1 back in 1985 at a time when there was only one state in this nation which in fact had any formula program that focused state funds on economically and educationally disadvantaged children, only one state, California, that had a program at that time.

Since that time the impact of Chapter 1 has been enormous in focusing energy and resources on those children, and I think program improvement is a very important additional concept which builds in accountability and a strengthening of the use of Chapter 1 money on these same children.

Thank you for the opportunity to be with you this afternoon. My colleague from California has a brief statement prepared, Mr. Chairman, if she might be permitted to give that at this point so that you would have a flavor of a specific program implementation.

[The prepared statement of Gordon Ambach follows:]

COUNCIL OF CHIEF STATE SCHOOL OFFICERS

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STATEMENT BY THE
COUNCIL OF CHIEF STATE SCHOOL OFFICERS
BEFORE THE
SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND
VOCATIONAL EDUCATION

ON

IMPLEMENTATION OF CHAPTER 1 PROGRAM IMPROVEMENT

The Council Statement is Presented by
Gordon M. Ambach
Executive Director
November 20, 1990

President WILLIAM B. ATTEE, Delaware Superintendent of Public Instruction • President-elect HERBERT J. GROVER, Wisconsin Superintendent of Public Instruction • Vice President JERRY L. EVANS, Idaho Superintendent of Public Instruction • Directors J. TROY EARHART, Rhode Island Commissioner of Education • H. DEAN EVANS, Indiana Superintendent of Public Instruction • EUGENE T. PAIGE, Nevada Superintendent of Public Instruction • WERNER ROGERS, Georgia Superintendent of Schools • LYNN O. SIMONS, Wyoming Superintendent of Public Instruction • CHARLIE G. WILLIAMS, South Carolina Superintendent of Education • Executive Director GORDON M. AMBACH

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Mr. Chairman, members of the Subcommittee, I appreciate this opportunity to testify on behalf of the Nation's chief state school officers regarding implementation of the program improvement provisions of Chapter 1. Chairman Hawkins, it is a particular privilege to appear before your Subcommittee one more time before your retirement. I commend your leadership and diligence in oversight of the program which you have shaped and supported over the years. These proceedings are especially important in the twenty-fifth year of federal support for compensatory education and elementary and secondary education programs.

Our Council strongly supported authorization of provisions for program improvement in the Hawkins-Stafford School Improvement Amendments, and we continue strong support for these reasons:

o The provisions put the emphasis of Chapter 1 on student performance results.

o Program improvement provides a positive, on-going accountability system for the largest federal elementary and secondary education program. Schools identified as needing improvement are targetted for special attention by the school district and the State in order to assure that student performance improves.

o Program improvement identifies those schools most in need of assistance, enabling state and local education agencies to bring promising practices to those schools in hopes that raising performance at schools with the lowest levels will raise performance across the entire school district.

o Program improvement draws state and localities together in a joint endeavor toward effective performance. It provides at each state and local school level the means of setting goals and assessing progress for America's educationally-disadvantaged students.

The nation is now in the second year of implementation of the Hawkins-Stafford amendments and program improvement. Actually, we are now three months into the first school year in which the plans for program improvement for each school must be complete. The states are implementing program improvement with high expectations. The states are far down track from where they were in January, 1990 when the data on which the Policy Studies Associates based its survey were gathered. There is still a good distance to go, but the States have every intention of fulfilling the potential of Chapter 1 and program improvement.

Right now, Mr. Chairman, the States and localities have identified 6,300 schools in need of program improvement. That fact is most important to remember with respect to the report of the Policy Study Associates and letter from Secretary Cavazos to you of November 5 on which I will comment. The start up of this program has been difficult in many places. However, it is rolling and the most important concern at this stage is to adequately assist those 6,300 schools with a total of $12.5 million--or less than $2,000 per school in program improvement funds for the entire school year.

Three points are important in reference to the report of the Policy Studies Associates and the transmittal letter from Secretary Cavazos of November 5:

o The Secretary's letter states that Chapter 1 coordinators view the new provisions for program improvement as a "low priority" and "burdensome". In fact, in ranking a list of nineteen administrative functions required under Chapter 1, eleven states ranked "identification of schools in need of improvement" and eleven ranked "plans to work with schools in need of improvement" among their five highest priorities. Depending on the degree to which any one state listed both of these program improvement activities among the top five of nineteen priorities, up to 50% of the states responded that program improvement was among their highest administrative priorities. When specifically asked to rank various Chapter 1 requirements by "necessity for attaining the objectives of the Chapter 1 program" and "degree of burden", state coordinators listed program improvement eighth after such essential compliance and quality control procedures as student selection, needs assessment, ranking and selecting project areas, evaluation, and parent involvement. This response on "necessity" mid-year in the first school year of implementation, should not be surprising, nor is the fact that the totally-new program improvement procedure was ranked first in burden. If it ranked first in "burden" it meant staff was giving it a great deal of attention (See Attachment 1).

o A second point is that "a majority of states used the minimal achievement standard established in the Chapter 1 regulations" for the state standard. Both the statute and the regulations governing program improvement established the process of setting the standard for improvement and identifying schools as a joint state-local endeavor. The U.S. Department of Education defined "no improvement or a decline in aggregate student achievement," the statutory criteria for identifying a school in need of improvement, as zero or less aggregate gain in NCE (Normal Curve Equivalent) in standardized test scores. States were authorized to establish the minimum statewide standard in consultation with a committee of local practitioners. The report finds no State out of compliance. Three points are emphasized:

1) At the state level the statute and regulations require a consultation and collaboration with local practitioners in setting standards. The Policy Studies Associates survey finds, as indicated in Secretary Cavazos' letter, that the committees of practitioners in some states discouraged higher statewide standards.

2) The statewide standard is not the only standard that LEAs must use to identify schools for improvement; the statute and regulations specify that local applications must state the "desired outcomes" for Chapter 1 projects and identify as needing improvement any school not making "substantial progress" toward these outcomes.

3) Many states, particularly those which did not have data systems for identifying schools in need of improvement, nor statewide data for student achievement on a school by school basis, tended to begin with the USED benchmark definition for "no improvement or a decline in improvement" for the first year, with intent to raise the standard in successive years. Only 10 states received more than the $90,000 minimum of the $5.7 million appropriation for FY 1989 for technical assistance. They tended to take a prudent course for first year standards for identification so as not to spend the available assistance too thinly.

It is significant that in the first year of implementation, 5000 or 10% of Chapter 1 schools were identified as in need of improvement. More significantly, that number increases in this school year to over 6300, or nearly 12% of Chapter 1 schools. In the first year of implementation, 16 states used a standard higher than the regulatory minimum as the statewide standard, and another 9 states use the minimum national standard plus a higher local standard.

o Finally, the Secretary's letter cites the fact that in January, 1990 only 8 states had begun to spend their program improvement funds, and only 26% of the schools in need of improvement were fully implementing their program improvement plans. It is important here to review the statutory and regulatory timetable for implementation of the new provisions for Chapter 1 and program improvement, as well as restrictions on when states could obligate funds. The 1989-90 school year was the first year

for which funds were available for program improvement. Under forward funding, the state and local Chapter 1 program year did not begin until July 1, 1989. Final regulations were not published until May of 1989. States could not establish their state standard nor identify schools before the summer of 1989. Once a school was identified, its program improvement plan was to be fully implemented as soon as possible but no later than the beginning of the second school year after the year on which the achievement data was based.

The USED interpreted the provisions of section 1405 governing use of program improvement funds to prohibit any expenditure of funds until local parents, teachers, administrators and other interested parties approved the nature and source of technical assistance in the LEA-school plan. Neither the state nor local education agency could make a prior determination on how funds would be allocated until each LEA-school plan was in place. The States for the most part had to wait past January 1990 before they could commit funds.

Because of the importance of program improvement to the States, the State Coordinators have just surveyed progress by the States. While less formal than the survey by Policy Studies Associates, the information updates some of the January data on program improvement:

o State administrative staff are spending substantial time on program improvement, with over one-half committing at least 25% of their time on the activity and one-fourth spending 1/3 to 1/2 of

their time on program improvement.

o Coordinators report spending less time on administrative duties not related to student performance and placing more emphasis on program performance and outcomes than on purely compliance activities.

o States have distributed all FY 1989 funds and have the FY 1990 funds in the pipeline for activities ranging from mini-grants to LEAs and schools to professional development and inservice training, direct technical assistance at the local level, consultants and resource manuals.

o Three-fourths of states surveyed reported that schools in need of improvement this year have already been identified based on spring to spring (1989-90) scores and that there is an increase in the number of schools being identified. One-third of the states report use of measures in addition to aggregate achievement scores for identification (A copy of the preliminary report is Attachment 2).

Thank you, Mr. Chairman, for this opportunity to testify on the progress of program improvement. I think you would like to have seen, and I would have liked to report, that this major new accountability provision had instant implementation. The concept is simple but the implementation is extremely complex. It is only because of earlier investments under ESEA and Chapter 2 for assessment instruments, effective schools research, and state technical assistance capacity that progress has been made to date. Now there is a solid base for the concept to yield results. The

States are down track and have every intention of making certain that program improvement under chapter 1 leads the way for other program improvement efforts in the States, just as 25 years ago Chapter 1 led the way to focus education resources on the children most in need of extra help.

Thank you. I will be pleased to respond to questions.

Table IV-8

Number of SEAs Monitoring Particular Program Areas
(n = 52)

Area	SEAs Monitoring	SEAs Ranking Among 5 Highest Priority Areas
Student selection	52	41
Parent involvement	51	35
Supplement, not supplant	51	31
Coordination with regular instruction	51	23
Program design	49	24
Attendance area targeting	49	13
Private-school student participation	49	11
Comparability	48	8
Budget	47	13
Size, scope, and quality	46	15
Identification of students not making gains	44	5
Evaluation issues	43	6
Identification of schools in need of improvement	41	11
Needs assessment	41	4
Plans to work with schools in need of improvement	40	11
Coordination with other federal and state programs	38	4
Schoolwide projects	33	2
Maintenance of effort	24	2
Innovation projects	22	0

Table reads: In 1989-90, all 52 responding SEAs monitored student eligibility and selection onsite. 41 SEAs termed this one of their five highest priorities in monitoring.

Table IV-9

Overall Rankings of Chapter 1 Requirements by Perceived Necessity and Burden*

Category of Requirements	Rank on Necessity	Rank on Burden
Ranking and selecting students	1	5
Needs-assessment procedures	2	3
Ranking and selecting project areas	3	8
Supplement, not supplant provisions	4	9
Evaluation procedures	5	2
Size, scope, and quality provisions	6	11
Parent involvement	7	6
New provisions for program improvement	8	1
Private-school student participation	9	7
Comparability procedures	10	4
Maintenance of effort provisions	11	10

* Based on an average of all respondents' ratings.

Table reads: Responding to a list of 11 categories of requirements, SEA coordinators ranked the ranking and selection of students first in necessity for attaining the objectives of the Chapter 1 program, and fifth in degree of burden.

Summary

This chapter has described SEAs' procedures and priorities in carrying out their regular administrative functions of rulemaking, application review, monitoring, and funds allocation. It places the new provisions of the Hawkins-Stafford Amendments in the perspective of all the other program provisions that SEAs deal with in carrying out these functions. The major findings, by area of administrative practice, are as follows:

ATTACHMENT 2

Arizona Department of Education
1535 West Jefferson
Phoenix, AZ 85007

CHAPTER 1 MEMORANDUM

November 15, 1990

TO: National Association of State Coordinators Members Present At Its Annual Meeting, November 5-8. 1990

FROM: Program Improvement Committee

Michael Hughes (Chairperson)	Arizona
Ron Friend	Maryland
Milton Matthews	Mississippi
Robert McNamara	Vermont
James Sullivan	New York
Elaine Tatenaka	Hawaii
Myrna Toney	Wisconsin
Karen Underwood	Idaho

SUBJECT: Analysis and Summary of Fall 1990 Program Improvement Survey

The attached analysis and summary of findings of the implementation of Chapter 1 Program Improvement requirements are based on a survey of State Chapter 1 Coordinators conducted October 1990. Thirty-eight states and the District of Columbia responded. Seven of the sixteen major states (defined as receiving over $100,000,000 in Chapter 1 funds annually) returned the survey. It should be noted these states consistently gave similar responses to the survey questions.

MH/hd

Attachment

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EXECUTIVE ANALYSIS
SURVEY OF STATE CHAPTER 1 COORDINATORS
ON
PROGRAM IMPROVEMENT
FALL 1990

JUDGE SUCCESS BY WHAT STATES DO

Every state is devoting state administrative time and resources to program improvement; almost all states are spending significant portions of time.

With 37 states reporting:

- 1/4 report spending at least 33% of their time on program improvement, with several of these states spending 50% of their time on program improvement,
- over 1/2 (22 of 37) spend about 25% of their total time on program improvement,
- only 1/6 report spending less than 15% of their time on program improvement.

Some states hired additional staff with administrative funds to perform these functions. Many states redefined staff roles. Either way, staff time is spent differently:

- less time is spent on administrative activities not related to student performance,
- less time is spent on lower priority training and publications,
- change of emphasis in monitoring from only compliance to program performance and outcomes,
- decreased paperwork by extending application.

Some states report establishing new SEA relationships outside of Chapter 1 with divisions of curriculum and instruction and program improvement.

States have a variety of methods for distributing 1405 funds to best serve local needs.

- over 3/4 (33 of 38) distribute mini grants
  - in 20 of 29 states' grants are competitive
  - average grant was $2,000-3,000 per school
  - range of grants: $125 - $50,000
- over 1/2 (23 of 38) provide inservice training
- over 1/3 (15 of 38) provide direct SEA technical assistance
- 4 of 38 produce a resource manual
- almost 1/2 (18 of 38) hire consultants
- almost 1/6 (7 of 38) supply equipment and/or materials

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IDENTIFICATION OF SCHOOLS

- 15.8% of Chapter 1 schools have been identified for Program Improvement. This is an increase of more than 6% from last year's survey.

- Over 3/4 (21 of 26) of SEAs report increases in the number of schools that are identified this year.

- Almost 1/3 (8 of 26) of the states have schools (grades 2 through 12) being identified using measures in addition to aggregate achievement test results. Some states require additional measures of success for all grades and subjects.

- Over 3/4 (27 of 35) of the states have already identified schools based on last year's spring to spring test results. Some states haven't identified some or all of the schools because the fall post test results are not yet available.

- Almost all schools were identified using the mean score rather than the median.

- Over 2/3 (11 of 15) of the states have concerns with the accuracy in identifying schools with very small numbers of matched test scores.

CHALLENGES TO SUCCESS

Since test results have local consequences, they are being more carefully scrutinized.

- LEA evaluation reports are being reviewed more thoroughly and hence are submitted later.

- technical assistance concerning test related issues is on the rise.

Data management is more complex than in the past.

- use of basic and advanced scores in each subject area doubles the amount of data handled

- tracking which schools are in program improvement and at what stage they demand new management systems.

Some states have had to reduce time on activities they feel are important, including training and support to all Chapter 1 schools.

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SUMMARY OF
SURVEY OF STATE CHAPTER 1 COORDINATORS
ON
PROGRAM IMPROVEMENT
FALL 1990

Results are based on 39 responses. However not all states were able to respond to every question.

1.Has the SEA made any major changes in the state program improvement plan since the initial year?

Thirty-seven states responded:
Twelve reported major changes.
Twenty-five have not revised the state plan as yet.
Major revisions were as follows:
Clarify substantial progress (2)
Defined/raised standards (8)
Defined standards for pre-kindergarten and handicapped (2)
Modified reporting procedures and/or timelines.

2. How many schools selected based on FY 1989 evaluation data are no longer in program improvement?

Twenty-eight states responded:
Sixteen states reported that the majority of originally identified schools were no longer in Program Improvement.
Twelve states continued to have the majority of schools in program improvement.
The range of responses is as follows:

Number of States	Percentage of schools remaining in program Improvement
Five	less than 25%
Seven	Between 26% & 50%
Eleven	Between 51% & 75%
Five	More than 76%

Comments:
A number of states reported that schools tested out of program improvement during the planning year.

3.How many states have initiated joint state/LEA plans for those schools in the second year of program improvement implementation?

Thirty-one states responded:
Two states have initiated joint plans.
Comments:
Schools are still in the full year of program improvement. FY 1990 test results, often because of Fall-Fall testing, are still being collected.

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PROGRAM IMPROVEMENT SURVEY
FALL, 1990
PAGE 2 OF 4

4. When schools are identified what assistance does the SEA plan to provide to schools having joint plans?

Sixteen states responded.
Comments:
- Training opportunities to school teams(9)
- Individual technical assistance(5)
- Funding; e.g., additional Program Improvement, Chapter 2
- Meet with school action committees

5. Have you identified, based on the FY 1990 program, schools in need of program improvement?

Thirty-six states responded:
- Twenty-seven states responded yes.
- Nine states have not yet identified schools.

6. Is this an increase or decrease from the previous year?

Twenty-seven states responded.
- Twenty-one reported an increase.
- Six reported a decrease.

Comments:

Twenty-seven states reported that of 18,395 schools 2,907 were in program improvement. This represents 15.8% of the schools which is a 6.1 % increase over what was reported at this time last year.

Only eight schools selected to utilize the median score in analyzing aggregate achievement.

Eight of the twenty-six states reported using measures other than norm referenced testing. Commonly used measures include criterion referenced tests and state tests.

Reading is the subject area most being targeted for program improvement.

Eight of twenty states reported that schools did not enter into program improvement because of local conditions. Six states reported that this constituted less than 8% of the schools. One state allowed local conditions to apply to all private schools, another reported 53% of the schools indicated local conditions.

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PROGRAM IMPROVEMENT SURVEY
FALL, 1990 - PAGE 3 OF 4

7. How many schools in need of improvement had less than 25 participants with matched pre/post test scores?

Fifteen states responded to this question.

Four states indicated that this comprised less than 20% of the selected schools.
Four states indicated over 60% of the selected schools had less than 25 matched pre/post test results.
Eleven states believed that a decision on program improvement should not be based on such few test results.

8. How are states planning to expend program improvement funds?

Thirty-eight states responded:

23	In-service	18	Consultants
15	SEA Assistance	7	Equipment/Materials
4	Resource Manual	33	Mini Grants

Comments:

Most states reported that the expenditure of "1405" funds would be similar to last year.

Twenty-one of the minigrant grants will be awarded competitively; twelve states reported that funds will be distributed through formula. Though grants will range from $125 to $50,000. The vast majority of grants will be between $2,000 and $3,000.

Fourteen states responded that this approximates last year's grants. Eleven states indicated that this represents an increase in the size of the grants. Eight states did not respond.

9. What percentage of time has SEA Chapter 1 staff spent on "program improvement" as a result of the new requirements?

Twenty-two of thirty-seven spend about 1/4 of their total time on program improvement

Thirty-seven states responded: nine report spending at least 1/3 of their time on program improvement, with several of these states spending 1/2 of their time on program improvement.

Six states report spending less than 15% of their time on program improvement.

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PROGRAM IMPROVEMENT SURVEY
FALL, 1990
PAGE 4 OF 4

Comments:

Twenty-four of twenty-five states reported that because of program improvement other SEA administrative activities have been deemphasized? Examples of these activities include:

Delay in processing applications, reports, etc.
Reduce paperwork. (Evaluation Report, Three year application)
Reduction in frequency of compliance monitoring (10)
Limit time with non-identified schools. (5)
Decrease other improvement activities. (5)
Shift work to other SEA units.

10. What major problems have the SEA/LEA encountered in its efforts to implement program improvement?

Travel expense and time to visit schools.
Quality of achievement data. (6)
Quality of first grade and high school achievement scores.
Test related issues. (9)
School staff feel threatened and stigmatized by Program Improvement. LEA unwilling to self identify. (3)
Program Improvement is complex, time consuming.
Increased and complicated record keeping, tremendous paperwork to track schools. (10)
Insufficient SEA staff.
Burden on principals.
Application of local conditions.

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Chairman HAWKINS. I am pleased to recognize my friend from California, Ms. Walker.

I understand you have a statement at this time. We will be glad to hear from you.

Ms. WALKER. Thank you. Congressman Hawkins and Congressman Gunderson, I am pleased to be invited to share the progress that California is making toward implementing the Chapter 1 portion of the Hawkins-Stafford Amendments of 1988.

I am proud also to be from the State of California where Congressman Hawkins is a major proponent of this legislation. We feel that he is representing us well, and it is partially because of him that we feel the need to do as much as we can for, as we call them, compensatory education students. That is how our program started before 1965.

This Act has provided the states with significant opportunities through the intent to ensure that educationally disadvantaged students receive a quality education.

Although you have a written text in front of you, I will highlight some of the things from that text for you this afternoon in three areas. One will be some of the implementation ideas that are under way right now. I will describe some plans we have for the future in this area and the Department of Education's leadership in improving instruction for educationally disadvantaged students.

The flexibility of this law has allowed us to be creative in many instances and most especially in the area of two major impediments that have been lifted as a result of this legislation. They are with the focus on remediation.

When we talk to school districts and school people, we ask them not to use the term remediation because that has a negative connotation. The other is restriction has been lifted for funds, using the Chapter 1 fund for that staff only.

The leverage of the Hawkins-Stafford Amendments and the state reform efforts that we have under way give us what is necessary, we believe, to begin meeting the needs of educationally disadvantaged students. Our efforts can be divided into three parts. If you are going to have a system for change, we think you need three main ingredients. One is a clear vision; two, technical assistance and support of that vision and a way of assessing that vision to see if what you are doing is making a difference in the lives of these students.

A little bit about the vision. We began with the Chapter 1 state plan and addenda because we have two state plans, we have addenda to the first for program improvement which was developed with the concurrence of our committee of practitioners in June 1989. We did not wait for the regulations. It was approved by our state board of education in April of 1990, and it is just a practice of ours to update it annually.

The contents of the vision—we believe that it is necessary to prepare students to be full participants in a democratic society and for them to be able to compete in a technological force. This process is necessary.

The second part of that is this can be accomplished by developing a challenging core curriculum. Translated in the law, it is called regular programming. In California we call it core curriculum.

That is put together with input from teachers and parents and the research data regarding what is really a quality programs in terms of all educational areas. That is in a document called "Curriculum Frameworks" for each of the curricula areas that we deal with. They set a high standard of achievement for all students.

This kind of curriculum no doubt is difficult for all students. Therefore, we feel we need to direct our efforts to the teaching of what is called a thinking curriculum now in educational circles, especially in language arts, math, history, social studies and science for Chapter 1 students. That is where we are focusing our efforts.

This will be the support and the intent of the legislation, which is to help educationally disadvantaged students succeed in the regular program and attain grade level proficiency and improvement in basic and more advanced skills. This has great implications for ongoing staff development for all teachers who work with compensatory education students in the area of instructional strategies for them to work with the youngsters in the classroom or on a pullout basis.

The ongoing staff development is necessary. California has a collaborative effort among the Department of Education and the university systems, the two university systems, for statewide efforts in the area of curriculum development with the training being done by the subject matter project directors in all the curricula areas I mentioned earlier.

Presently what we are doing for program improvement schools is guaranteeing that there will be three slots in each one of those four to six week summer institutes in each of the curricula areas that has been identified in the program improvement action plan. That is what we call our Chapter 1 program improvement schools, the ones that were submitted in June of last year, and those that will be submitted in June of this year.

Our action plans are three-year plans. That goes along with other plans in California and indeed to cut down on the confusion, we say to them every school site is supposed to have a school site plan. We say that Chapter 1 should be a major portion of that and there should be a definite tie-in between the Chapter 1 and the regular plan. That is one of the things we look for when we review it.

The second area is technical assistance. To fully implement the Hawkins-Stafford Amendments, we have developed a multipronged technical assistance process. This includes developing guidelines.

One of the first things we did when we got the legislation was to develop a program advisory to provide guidance to districts on how to get this law implemented. It was not the technical kind of advisory; it was more what do you do in the area of program improvement, in staff development, information like that.

We have developed other such guidelines for how to develop the program improvement action plan, the schoolwide project and of course innovation projects. We have shared that with not just the schools identified by all compensatory education schools in the state. Each plan is to include at a minimum the development of a leadership team, somebody at the school site who is going to take responsibility for seeing that these things are going to happen—the assessment of all of the schoolwide data, not just what is happening

in one particular curricula area, but what is happening at the school site for the compensatory education youngsters.

It has to include what kind of staff development are you going to do to bring about these changes, specific ideas for staff development, what kind of parent involvement activities are you going to engage in and a system for evaluating progress. All of that information at a minimum is in our schoolwide projects and program improvement action plans.

In addition, my office is providing direct assistance to the schools identified through something called regional steering committees. Because the state is so large and so diverse, we thought it would be better to use an existing regional structure, which includes curriculum folks, project director type people within the given region, the subject matter projects, the principals and the teacher leaders from these program improvement schools, our two technical assistance centers and other curriculum people in the area.

We thought that because we are so far removed in many instances from them if we can bring those people together along with a person from my staff and decide what kind of assistance can be brought to help the program improvement schools at the local level, we will be doing a great service to them.

We also provide direction for the sites to make appropriate decisions about what is needed for improvement. Certainly the plans are in, we have commented on them and we are going back and forth, but it is also helpful to have people who have like concerns to sit down and discuss what it is they think or how they think they should bring about the improvements and then maybe sharing with each other and gaining information from each other. That is why we are using that structure.

Also, in California we have very, very small districts, very, very small schools, and we are asking our rural technical assistance center along with a person from my staff to work with those schools directly.

Another area is to bridge the gap between the home and the school for parents. We have undertaken a series of parent involvement activities. One is, because we had Chapter 1 grant back money that was given to the state, we set up institutes for the parents to train parents, para-professionals, teachers, administrators and so forth in two of the impacted areas of California, in the Alameda County area, Oakland and the Bay Area, in the Los Angeles area.

Most of our program improvement schools are located in that area just because of the size of the two areas. We focused attention on them first because we didn't have enough money to go to all the program improvement schools.

A team of people from those program improvement schools have received 16 hours of intensive training, materials in Spanish and in English, and their purpose is to go back and do the training over the next three years, which goes along with the plan, those eight areas of training with the parents and staff. This is to bridge that gap between the home and the school.

In the spring of this year, we are going to open up home school partnership training to all the compensatory education schools in the states.

Finally, we were successful in getting a piece of legislation passed this year which targets state funds, which actually sanctions districts who do not have quality program improvement funds by withholding—I am sorry, parent involvement programs—withholding their state funds if they don't have it. We feel very excited about that, and that has certainly gotten the attention of a lot of folks. And I think they will take parent involvement seriously.

As change occurs, there are some new and needed directions of improvement for the educationally disadvantaged students, and they are in the area of assessment and staff development.

While we have a lot of leverage with the present legislation, as we think about the future, we need to concentrate on better ways of assessing the effectiveness of what we are doing with educationally disadvantaged students. We also need to focus more attention on doing some kind of ongoing statewide staff development training for regular classroom teachers and special teachers.

I want to thank you for this opportunity to share with you some of the things that we are doing in California as we implement the Hawkins-Stafford amendments of 1988, particularly Chapter 1.

Thank you.

[The prepared statement of Hanna L. Walker follows:]

TESTIMONY ON CHAPTER 1 IMPROVEMENT BEFORE THE SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

by

HANNA L. WALKER

CHAPTER 1 COORDINATOR

CALIFORNIA DEPARTMENT OF EDUCATION

WASHINGTON D.C.
NOVEMBER 20, 1990

Good afternoon. I am pleased to be invited today to share California's progress in implementing the Chapter 1 Program Improvement provisions of the Hawkins-Stafford School Improvement Act of 1988.

We are particularly honored in California to be the home state of the major proponent of this legislation, Congressman Hawkins.

This Act has provided significant opportunities for states to ensure that quality programs are provided to educationally disadvantaged children. California regards Program Improvement as one of the major vehicles for reform in this Act. Over the past two years, 300 schools have been identified for Chapter 1 Program Improvement.

In my report to you, I will describe the implementation activities currently underway and the activities that are being planned. Finally, I will offer a description of some important and unique ways that California is providing leadership in improving instruction for its educationally disadvantaged students. We believe we have made an excellent start in California. But much work remains to be done.

The creativity and flexibility allowed by the amendments to Chapter 1 increases the opportunities to maximize the effectiveness of the program. I would like to point out some changes that have enabled us to work hard to meet the intent of the law and to improve our services to educationally disadvantaged students. In particular, the removal of two major impediments, (1) the singular focus on remediation of low-level, basic

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skills and (2) the restriction of uses of funds for staff development to Chapter 1 teachers only, has created strong professional motivation among all teachers to strengthen and improve the quality of curriculum and instruction for Chapter 1 students. Through a combination of Chapter 1 Program improvement and state reform efforts we now have the necessary leverage to begin meeting the needs of educationally disadvantaged students.

Our efforts have been based on a model of change that has three components: (1) a clear vision; (2) technical assistance or necessary support for realizing our vision; and (3) accountability -- ways of evaluating how true our efforts are to that vision so that we stay on course.

Our vision, as set forth in the ***Chapter 1 State Plan for Program Improvement***, is that we must prepare our students to be full participants in a democratic society and to compete in a technologically demanding workforce. A challenging core curriculum developed with input from teachers, parents, and research has been established in California through our curriculum frameworks. These frameworks have set a high standard of achievement for students by emphasizing the importance of a rich core curriculum and the development of thinking skills available and accessible to all students, especially Chapter 1 students. This approach also stresses the importance of parent involvement in the education of their children.

I would like to point out that teaching this kind of curriculum for all students is difficult. *However, it is especially important that we direct our efforts to the teaching of a thinking curriculum in English-language arts, mathematics, history-social studies, and science to Chapter 1 students.* By doing so, we can begin to make significant strides in meeting the intent and purpose of Chapter 1: to help educationally disadvantaged children succeed in the regular program, attain grade-level proficiency, and improve achievement in basic and more advanced skills.

Changes required by what we call "the thinking curriculum" imply important changes in how we teach. We applaud the recognition of the importance of staff development in the Chapter 1 revisions. Staff development is an absolute requirement to equip classroom teachers with new skills to appropriately serve educationally disadvantaged students. Moreover, we believe that the nature of staff development must be long-term and ongoing. Short-term, one-shot workshops will not equip teachers with the necessary skills needed to provide Chapter 1 students with a rich core program.

In California, a corps of teachers with strong skills and a wide range of instructional strategies needed for the delivery of a challenging curriculum for disadvantaged students is being created through our state-funded professional development system. Subject Matter Projects, such as the California Math Project, the California Writing Project and the California Literature Project, provide staff development to teachers throughout the state. These projects are organized regionally. Teachers

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spend four to six weeks in an intensive summer institute and meet periodically during the school year for support and follow-up workshops. Every California Chapter 1 Program Improvement school with a Chapter 1 program is guaranteed space for at least three teachers in each staff development institute offered by the Subject Matter Projects.

The standard for measuring Program Improvement is an index based on statewide measures available from the California Assessment Program (CAP) and from norm-referenced tests. The advantage of including the CAP information as a measure in the identification of Chapter 1 schools in need of improvement is its alignment with the state curriculum and its assessment of advanced skills. CAP scores in all curriculum areas assessed are used as measures of how Chapter 1 students are succeeding in the regular program.

In our efforts to fully and effectively implement the provisions of the Hawkins-Stafford Act, California has developed a multi-pronged technical assistance process. Guidelines for action plans for schools identified in need of Program Improvement, schoolwide projects, and innovation projects have been developed and made available to the field through regional inservice opportunities and mailings. Each plan includes a minimum of the following components: a leadership team for organizing, managing, and evaluating changes described in the plan; assessments of local school-level data to determine areas in need of improvement; types of needed staff development; and a system for evaluating the academic progress of Chapter 1 students.

The California Department of Education recognizes the crucial need for support of the efforts of low-performing schools during their three-year restructuring efforts. A key to effective assistance is the use of a regional structure for providing assistance to all schools. Consultants from the Department work with schools directly, facilitate regional meetings, broker services to schools, and solicit the coordination and assistance of regional curriculum staff, county and district consolidated program directors, Chapter 1 Technical Assistance Centers (regular and rural), and Subject Matter Project Directors.

Another key to the success of our assistance efforts to schools is the use of Regional Steering Committees. This year a statewide meeting was convened to launch a regional leadership structure for program improvement. Each region in California selects a committee which includes principals, teacher-leaders and parents of leadership teams from the schools identified in need of program improvement. Together with regional curriculum leaders and Subject Matter Project staff, staff development is not only implemented for teachers of educationally disadvantaged students but designed by teachers for teachers.

In order to strengthen the bridge between home and school, the Department continues to emphasize parental involvement. Parent Institutes are presented for staff and parents in each region. Lesson plans and materials for parents and teachers are provided through a series of eight workshops. Through the institutes, each district will develop a

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"trainer of trainers" curriculum for staff development in its schools. In addition, the California Department of Education has developed a number of handbooks for parents which describe activities to be used in specific areas of the curriculum. These handbooks will be used in the institutes and future trainings.

State operating funds are targeted to support the efforts of low-performing schools to change. Each school with a Program Improvement Action Plan will receive funds to implement its plan. To ensure that even the smallest school will receive adequate funding, a per-pupil formula will be used to distribute monies. This approach has the concurrence of the Committee of Practitioners.

As change occurs in the schools identified in need of improvement , we are continuing to explore new and needed directions for change that will improve instruction for Chapter 1 students. One area of change that has special importance for Chapter 1 is the restructuring of the Subject Matter Projects that are concerned with reading, writing and literature. Through a collaboration between two projects -- the California Writing Project and the California Literature Project -- staff development will target three levels of schooling: elementary, middle and high school curriculum and instruction. Differing emphases demanded by differing needs of students at each school level will be targeted. We expect that major benefits will be timely intervention and prevention of school failure by increasing the ability of teachers to provide the most effective instruction and curriculum at the earliest point possible.

The California Department of Education is examining the areas of assessment and accountability for needed change. Research has repeatedly found that norm-referenced tests which use a multiple-choice format tend to have negative consequences. Norm-referenced tests of this type tend to narrow instruction and to focus on low-level basic skills. In turn, teachers teach to the types of information required by these tests. This implies that Chapter 1 students may not receive the quality instruction required for advanced skill development.

We would like to suggest the need for discussion on devoting federal resources to states in two areas: assessment and staff development. In the first area, new, authentic forms of assessment that support the kind of teaching and student learning that we desire are being developed in California. The California Assessment Program is a recognized national leader in the development of new forms of assessment that reflect not only how much students have learned, but how students learn and what kind of instruction is needed to help students learn better. In the second area, current regulations concerning uses of Chapter 1 funds tend to target school-level or classroom level activities and materials. We believe that support for a statewide comprehensive professional development system is an effective use of federal funds. By making available federal monies to support such a system, the opportunities of states to increase teacher skills as well as to impact the school careers of educationally disadvantaged students are dramatically multiplied.

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Developing innovative approaches to assessment and staff development are necessary if we are to fulfill the intent of the Chapter 1 law.

Thank you for this opportunity to share what has been done in California and what we plan to do to meet the intent of the Hawkins-Stafford Act of 1988.

Chairman HAWKINS. Thank you, Ms. Walker.

Since the problem of timing has been raised, Dr. MacDonald, I note in your statement on Page 2 that you indicated the department again planning for implementation prior to enactment.

Then you say we have published on a timely basis all final regulations required under the bill for currently operating programs.

My understanding is the regulation containing Chapter 1 was adopted or published on May 19th. Now, that is more than a year beyond the date of enactment. Would you call that a timely basis for adoption?

Dr. MACDONALD. Yes, sir, in terms of the process that was in place.

At the time the regulations were being drafted, I was on the receiving end of the new legislation. There was a great deal of concern at the state level in terms of how the regulations were going to be drafted and ultimately how the policy manual for interpreting those regulations was going to be developed.

It was with a great deal of relief, from a state vantage point in terms of our ability to operate Chapter 1 programs, to be able to hear from the department that we would be actively engaged in terms of what we saw was needed in the regulations, as well as the kinds of interpretations that were required in a policy manual if we were going to be able to administer it. That is why we feel it was timely.

As a state commissioner, I was able to interface with our Chapter 1 director, in terms of what areas do we want to comment on, what areas do we feel are needed, and to make sure that the Department of Education had that input.

That was the first time it happened. Had the department simply not listened to the field and simply promulgated the regulations, we would have had more difficulty in being able to handle the initial implementation of Hawkins-Stafford.

I think that reticence on our part in terms of being able to one, participate, and two, have a period of time where we could look at things in terms of where we were resulted in only 34 of 46 states saying they were going to implement the minimum standard and to use that as their position until such time as we had greater clarification.

I have heard nothing but good things in terms of the process of involving the field not only in the regulations development but definitely in terms of the policy manual.

Chairman HAWKINS. We hear the complaint that the regulations were late and consequently we have not had enough time to study them and to implement them.

The statutory time limit is 240 days. This is obviously much later than the 240 days.

I would say that there may be some rationale for the delay, but certainly, I don't think we could call it timely in the issuance of the regulations, at least give some excuse for the failure to, let's say, have the plans in operation and the judgment already made on whether or not after the one year having elapsed that we still have additional time.

So it throws us off on judging whether or not the progress has really be made in the first year of operation, because it is very difficult to determine the first year of operation.

As to the minimum standards now, we have had some explanation as to the fact of the newness of the program requiring perhaps only minimum standards to begin with. As to the setting of the standards, however, it is my understanding that the states may set the standards in conjunction with practitioners, but that the standards must be somehow related to national standards, which assumes that the Secretary will, in effect, set some sort of national standard—am I correct, and if that is true, has the Secretary taken advantage of that to let us say set standards that may require higher performance than what we have had?

Dr. MACDONALD. Our actions to date have been to encourage districts, and right now we only have 11 states that exceed the Federal minimum standards out of the 46 that we have reviewed in terms of Program Improvement plans.

Our course of action has not been to establish a set standard, but to encourage states to look at the whole issue of increasing their standards by saying in effect to set low standards is almost to have no standard whatsoever.

We are asking them to look at where they are relative to Chapter 1 and the achievement of Chapter 1 students in terms of setting a higher standard.

We have even encouraged this at regional meetings, through publications, through numerous meetings that the director and myself have attended to urge directors as recently as two weeks ago that this should be reviewed.

It is my position in looking at it from both sides of the coin, from a state and now from a Federal level, that the reason we had as many states as we did set minimum standards was the newness of the legislation, and they wanted simply to see what was going to come out, what kind of direction they would have, what kind of support, before they moved from there.

The comments that we are receiving now from our state directors and local district people is that they are looking at standards, and Mr. Ambach mentioned that. I think we will see those increase.

Our modus so far has been to encourage.

Chairman HAWKINS. Accepting that rationale, don't you think that the time has arrived to get those standards up; and for that reason, if we are going to have any uniformity across the country, to have the issuance by the Secretary of some type of standards that would encourage raising them rather than keeping them at the minimum?

I assume that some states have very high standards. I assume others do not. So you have a variety of standards across the country, and we are not so sure which states are actually conforming to the spirit of the law and which ones aren't. It would seem to me that to accept the diversity as we do now will simply discourage states from increasing their standards because then it would be more difficult to be in compliance with the law. In this way you encourage the low standards to continue.

We had this morning a group of business people testifying on behalf of education, and I am not trying to relate to their testimony in some way to any criticism this afternoon. But they, along with others, keep saying that the schools are turning out individuals who may know some of the basics; that is, they know how to read, write and do simple arithmetic. But it's a low grade, and they cannot do any critical thinking. They are not comparable to students elsewhere, and they end up in international comparisons at the bottom of the tests.

Now, that patience, I would assume, will be worn out one of these days, and others like them with the idea that we are dilly-dallying around several years after we have passed the law and that we are still not requiring the type of standards that are required of students elsewhere.

It would seem to me we cannot continue that, and unless someone at some central place is going to encourage increasing them, then the Federal money is going to go out regardless of whether they are improving or not.

And the whole concept of accountability, I think, falls of its own weight if it can be avoided simply by setting low standards and say, well, our schools are improving.

I don't know the way out. I am not trying to pin you down to a solution, but it seems to me there should be—someone has to take the initiative, it seems to me, to get standards up. Otherwise, we are going to be dissatisfied.

Dr. MACDONALD. Mr. Chairman, I very much agree with good teeth and good legislation. I think this is good legislation, but basically we have set ourselves a standard through negotiated rulemaking that says in effect that better than zero is okay.

And if we are going to have to move beyond that, I think we are going to have to revisit the regulations again in terms of doing what you say. I think that's a perfectly reasonable approach.

I would try to do it again with the same kind of process as we had before, which is the process of negotiation where we consulted with the field.

A concern I have relative to Chapter 1 and the direction Chapter 1 has taken over the 25 years that I have been involved with it, and I am glad to hear California bringing this up now, is that we have emphasized remediation as opposed to prevention.

I think back, and I shared this with you at the 25th anniversary of Chapter 1, to when we started with some of our first Chapter 1, then Title I programs, those programs were early intervention programs. They were pre-school, pre-kindergarten programs and so forth. And I would hope to see in the future, if we are ever going to deal with the issues that you are bringing up now in terms of what we have seen as far as the percentage of population served decreasing, is that more of the Chapter 1 monies will be up-fronted.

In other words, we will be funding more pre-school programs, more early intervention programs, in a comprehensive way which we can do under the flexibility of Chapter 1 more than we have done before.

It appalls me, sir, to look at statistics and say that only 8 percent of our serving population in Chapter 1 are in pre-kindergarten or kindergarten programs.

I think we also have an opportunity now with Chapter 1, with Even Start, and we are currently working with Head Start to bring better program coordination together for children and parents.

I think it's these kinds of things that in effect will impact on the numbers of youngsters being remediated, and ultimately will reach the kind of goal that you would like to see in terms of the personal development of each of our children.

Chairman HAWKINS. Well, I quite agree with you and wouldn't want to saddle on you the failure of Congress to provide more money to do a more effective job.

Incidentally, how much of the money is being used for kindergarten and pre-kindergarten?

Dr. MACDONALD. I don't have the exact numbers, sir, but I could estimate it based on the fact that 8 percent of the serving population of approximately five million youngsters is being served in pre-school, which are pre-K and kindergarten programs.

Seventy-three percent of the population served are in remedial programs, grades one through six, and the balance are in programs that are remedial in nature in grades nine through 12.

Chairman HAWKINS. Let me clarify my own thinking in terms of the requirement for the submission of a plan by a local educational agency.

My understanding is that at that point when the plan is submitted that a local educational agency will qualify then to receive the Federal money. It must have a plan, that that plan must contain certain information concerning the desired results and that the plan must be developed at that point, not afterwards, but at that point must be developed in conjunction with parents.

Am I correct?

Dr. MACDONALD. Yes, the role of the parents is advisory to the plan developers.

Chairman HAWKINS. So that it would be possible, let us say, for someone even in Washington to ascertain the state plan that has qualified for the assistance because it's on file in the state office, and that at that point, it would indicate the type of information that would be helpful as on determining the quality of the plan in terms of who was involved in it, what it intends to accomplish, and also I would assume would indicate the type of programs that would be involved in the improvement of that particular school.

Now, would it also be required that each student in a school also be assessed in terms of that student's needs as well as, let us say, the entire school itself?

Dr. MACDONALD. The plan could indicate that, but the data on the students would be aggregate data. But if you had a school improvement plan, basically what you would do is build in an assessment package that would say, in effect, that each youngster will be assessed and appropriately placed in a program of instruction suitable to their specific needs.

But in terms of collecting data, you would have the data at the district level, but you would have aggregate data at the state level.

Chairman HAWKINS. Well, let me ask you this: Do you have any knowledge of how many schools have not really qualified to the extent that they have not submitted a school plan?

Dr. MACDONALD. Right now we have 53,491 schools that are eligible. We have, as Mr. Ambach mentioned, 6,331 that are sites for school improvement. That is the most recent data I have.

Chairman HAWKINS. Is there any effort at all being made to bring the others into compliance, into speed, up to process?

Dr. MACDONALD. Only through our direct involvement with—not only the chief state school officers but the program directors and so forth.

We recently met with the program directors, just two weeks ago today in fact.

Chairman HAWKINS. Let me yield to Mr. Gunderson at that point.

Thank you, Doctor.

Mr. GUNDERSON. Thank you, Mr. Chairman, and thank you all for your testimony.

I have got a bunch of wide-ranging questions, I guess. One of the things I was struck by as I listened to all of the focus on state flexibility in Chapter 1 Program Improvement, the increased assessment, et cetera, was the fact that unlike invoked where we have had an honorable fight at the state level over what state administrative expenses percent should be, I have heard nothing on Chapter 1.

Now, we are giving, in essence, more flexibility, more authority; we are giving more responsibility in accounting, and the 5 percent state administrative expense in Chapter 1 seems to be fine. Is that an accurate conclusion, or have I really missed the boat?

Mr. AMBACH. You have missed it by 4 percentage points, sir. The state administration for Chapter 1 is 1 percent.

Mr. GUNDERSON. I thought the state was able to take 5 percent. Am I totally wrong on that? I have been incorrectly briefed on that.

Mr. AMBACH. No, sir, but we would be pleased to support your amendment. It's an extremely important point, Congressman, that—in this overall program the administration funding has been at 1 percent.

Now, that was supplemented, you see, by the Program Improvement money which started as a result of the authorizations in 1988, but in effect, you have in this Federal program the single largest elementary and secondary education program and always have had only 1 percent money at the state level.

Incidentally, the report that was done by the Department in January would indicate that in the entire country at the state level to administer this $6.25 billion program there are 600 people, and if you match that against what we are talking about today, 6300 schools which have been identified for program improvement, if they did nothing but work on program improvement, each one of those persons would have more than ten schools to work with.

This is a program which has always had a very, very thin base of state administrative funding.

Dr. MACDONALD. One of the observations, Mr. Gunderson, that was made at the state level that I recall was the fact that with the program improvement component, it was going to—because of the dirth of support personnel in each of the state agencies—possibly cut back on their monitoring activities in terms of local districts.

It is a problem, and when you look historically at the issue of school improvement, when we say we have got 6334 schools that are eligible, in 1989 we had $5.6 million.

In fiscal 1990, we have $12.5 million, as Mr. Ambach mentioned. However, the Department requested for fiscal 1991 $24 million, and what we have going into this fiscal year is $15.1 million. So it's not only the staff resources at the state level in terms of technical assistance. It's also the dollars that are needed if we are really going to make some sense out of the whole issue of school improvement.

Mr. GUNDERSON. The next question, and the Chairman and Mr. Goodling before he left focused a little bit on implementation schedules and standards and regulations and all that, when, in your opinion, will we be able to judge whether or not through the Hawkins-Stafford legislation there has been specific program improvement successes in Chapter 1?

When in your opinion are we going to be able to say now we have enough data and enough time that we can look back and determine whether it's been successful?

Mr. AMBACH. I think there are probably several points at which you could expect to have certain results, and I am going to say several points because I don't think you should be looking at this as if there is going to be one point out there in 1993 or 1994 when you can get a completely cumulative judgement as to its impact.

And I think that one thing that was started in the January 1990 study was to lay down some interesting basic information, and I would urge that there would be continuing studies done with respect to the administrative side.

But what's more important is to lay down a base of information in terms of whether or not student performance in the schools which are receiving program improvement assistance improves. That's the key.

Now, I would judge that not until after three years of programming could you begin to reasonably expect to see some kind of indicator there that would take us out into 1993, and I think that's a fair way to examine the real result that we want; namely, does student performance improve?

There are other indicators that I would look to, had the concept of program improvement in Chapter 1 had an impact in the way that a state, such as Wisconsin, might deal with a concept of program improvement in other areas, and does that make a difference by way of student performance related to those other areas?

I think we can accurately characterize some of those efforts, and over the course of approximately two years from now, and then again perhaps three years, get a pretty good accounting along those lines.

There might be other ways to get some instrumental variables and make a determination on progress, but I repeat, the key will be to make a determination as to whether the performance of the students in the schools identified for program improvement is, in fact, improving.

This, Congressman, takes us back to the question that the Chairman was asking before about overall standards of performance, and then is a sub question of standards of performance in schools

having Chapter 1 children related to the Program Improvement aspect of it?

What is an underlying concept in program improvement is that we are measuring the performance of students not just in the project or in the particular program in which they are participating in any one year, a third grader, for example, in a math project or a third grader in an English project.

We have been measuring those things for 25 years. What has not been measured is the cumulative effect of those particular projects, in trying to make a determination as to whether there is a genuine carry through of the specific work funded under Chapter 1, the rest of the work that the youngster has in school program and whether that has an accumulative impact from one year to the next by way of progress.

The program improvement concept will help tremendously to be able to get a handle on that, so it will both provide an instrumental means to measure and then the question will be whether we successfully had some strengthening performance.

I hope that is responsive to your question.

Mr. GUNDERSON. I have got a follow-up, but go ahead.

Dr. MACDONALD. Mr. Gunderson, there are other indicators, too, for quality assurance other than longitudinal statistical data on youngsters, and that stems from the kind of things that you observe going on in the field.

For example, in our eight regional meetings that we have conducted between January and March throughout the Nation that I referenced in my statement, I was very much concerned as a practitioner that I was going to hear only derivations on the same old thing in terms of Chapter 1 practices and instructional practices with kids, but we didn't.

What we heard were reports from directors, reports from principals and teachers and parents that instructional practices were changing, that we were seeing a decline in the number of pull-out programs which, in my opinion, do not necessarily work to the advantage of children unless the pullout is done before or after school.

But we saw other kinds of programs coming in, teaming programs, school-based management kinds of programs in terms of school-wide projects, implementation of effective schools programs, along with again revised practices in Chapter 1 that would also include mainstreaming activities and so forth.

When you begin to see some of these kinds of things happening, when you hear school teachers, school administrators, Chapter 1 directors saying how can I start to put my resources together in better ways to serve kids, then you know things are going to improve.

And we saw a lot of that across this Nation, particularly in those districts where they are beginning to say, hey, I can use my Chapter 2 monies along with my Chapter 1 monies in terms of, again, efforts at school-based management, efforts at engaging parents, efforts at mainstreaming Chapter 1 youngsters rather than isolating them and so forth.

We saw a lot of that. We are hearing a lot about that. We are also putting out publications from the department, bringing these

issues up. We are show-casing these things at meetings throughout the country that we are holding now and will continue to hold to say that these are the kinds of practices that really pay off for our kids.

In the meantime, I agree with my colleague, Mr. Ambach, that all the stories are not in. But the signs out there in terms of what is happening because of the flexibility of Hawkins-Stafford are extremely encouraging.

Mr. GUNDERSON. My follow-up question is, do you both believe that Program Improvement and student performance are relatively the same?

Dr. MACDONALD. Absolutely. I mean, if you're going to enhance educational opportunities for children, you are going to enhance achievement with youngsters.

Mr. AMBACH. No.

Mr. GUNDERSON. You don't?

Mr. AMBACH. Well, no. They have an overlap, but they are really a couple of different concepts. The concept of program improvement carries with it an expectation that there will be student performance increases, but it is different by definition. It's a different concept than just to talk about student performance as such.

I mean, we can and we should be talking about standards of student performance, as the Chairman was asking about a bit later, where are the levels of expectation, what do we expect as standards for student performance?

We can be talking about that without talking about program improvement, but if we talk about program improvement, we are talking about a particular attempt to try to increase student performance.

Mr. GUNDERSON. The reason I bring this up is this morning we had four business executives sit in here, and if there was one call they seem to give us it's that we have to improve our educational assessment.

I think there was some bipartisan caution as to how far we would go using assessment alone as the determination of what is or is not a successful school or a school program because of the diversity of the constituency, very frankly.

I guess as I listen to this focus on program improvement in implementing Hawkins-Stafford, which I think is obviously a focus of what the rewrite was all about, it just tells me that even more so if we are going to judge this kind of program improvement as to its merits or failure, we have got to do a heck of a lot better job in determining what are the standards and methods of assessment than anybody has been able to develop thus far.

Dr. MACDONALD. And there are some problems there.

Mr. AMBACH. I agree with you, Congressman. That is why I was trying to make a distinction of talking about a concept of program improvement as it got built into this legislation as against an expectation of what happens with student performance levels.

You speak about assessment. There is an old saying you cannot test quality into a product. I repeat, you cannot test quality into a product. You can only test whether the quality is in the product.

The establishment of assessment systems as such does not necessarily change the quality of what happens. You have to do other

things in order to assure that the quality of the performance changes. The assessment really tells you, merely tells you whether there is a net change.

Dr. MACDONALD. With that, again, I don't agree with my colleague for the simple reason that what triggers Program Improvement in a school primarily is based on student performance.

A Program Improvement plan then is put into place to again augment or improve whatever needs to be improved, and how do we determine whether or not that Program Improvement has worked with the youngsters that are involved.

And that is either performance based assessment, or a norm referenced assessment, which, by the way, is one area that we are going to have to take a very, very hard look at.

I think we are seeing this Nation move away from norm reference testing to performance testing, and I think one of the issues we are going to have with the regulations in the near future is to question the permissiveness of modifications in assessment practices in local school districts and states.

Mr. GUNDERSON. Let me quickly ask a question that Mr. Goodling asked me to ask Ms. Walker, and that was a reflection on one of our testimony this morning, Sol Hurwitz, Committee for Economic Development.

He referred to the integration and coordination and overduplication of programs, and he said in California alone, there are 160 programs serving children and youth that are overseen by 37 separate agencies in seven different departments.

I guess what he wanted you to do was comment, to verify, deny or anything else you wanted to do with that statement, but Mr. Goodling asked me to give you a chance to respond or reflect upon this morning's testimony.

Ms. WALKER. Thank you, Mr. Gunderson.

I don't know where to begin. I can only speak from the standpoint of the department. I can only speak to education, and what we have done in education just for that same reason, we have, starting back, say, at the beginning of application process, we have a consolidated application which combines seven programs and each district has to apply once for seven different programs. So that is a way of bringing that together.

That includes Chapter 1, Chapter 2, and the other five state programs. At the school site level, we have schools—schools have the opportunity to organize a school-based management kind of program called school-based coordinator, which is like Chapter 1 school-wide projects where you pool your resources and you provide services to all of the students based on their needs.

We have one compliance system in the State of California which combines every program in the department that is administered under one umbrella of a coordinated compliance review, so if you are being reviewed in a district for anything that comes out of the department, it's this one process, this one team, this one document.

Our complaint procedures are pretty much the same way, so like I said, I can only speak to education. With the new Perkins legislation for vocational education, there is the integration idea, so that is going to bring—while vocational education is already in, coordi-

nated compliance review, it's not part of the consolidated programs process.

And I don't know if it will, but there is definitely going to be more integration on the part of the regular quote education. And vocational education and special education is coming along with that, too, so I don't know if that answers his question, but to speak to all those oversight agencies, I don't even know how to approach that.

Mr. GUNDERSON. Thank you, Mr. Chairman.

Thank you all.

Chairman HAWKINS. I think he wants to know how many districts are in compliance and how many aren't.

Ms. WALKER. Well, I wouldn't want to——

Chairman HAWKINS. Is it true that some districts are not in compliance?

Ms. WALKER. I am sure there are some. With the size of the state, I am sure there are some districts, but we do have a very tight compliance process all the way down to, if necessary, withholding funds.

So I am sure—and I believe it's been in operation now since this superintendent has been in office, so I think people really take it seriously now and they do move to get those items taken care of so that their funding will not be held up.

Chairman HAWKINS. You could have told Mr. Gunderson that in California the districts that are not complying are better than the districts in Wisconsin that are complying.

Mr. GUNDERSON. She's too nice.

Chairman HAWKINS. I have to stand up for the state.

There are other questions. However, it's not our intent to keep you long. I know that this is a continuing communication that we have with you.

Mr. Gunderson did ask one question that I think should be given a great deal of thought, Dr. MacDonald, and that is with respect to the future, I am quite sure that the next session of Congress will want to know just how well is Chapter 1 doing.

And I think that by that time, we should have a more specific answer, and I can certainly see the explanation why we don't already have all of the answer to that. But I would think that given another six or eight months in the middle of the next session that this committee will be looking at possible changes.

I don't think we have given the final answer. I know when we discuss the proposal that ended up being the School Improvement Act, very little thought was given to assessment, for example.

I thought we already had all of the tools needed, and I found out that we don't. So we are learning as we go along, but we cannot continue to do this, unfortunately.

I think the President and the governors have issued the National goals. If we every expect to achieve them, we are going to have to begin real soon heading in that direction. We cannot wait for the year 2000.

So I would certainly suggest rather strongly that we try to get a real evaluation as soon as possible and provide it to the committee so that it will help them in the next session and perhaps lead to some modifications or some changes in the law itself.

I think that is one thing the department could do that would be extremely helpful.

Gordon, we call on you so often, I am sure we will give you some assignments also.

We are pleased to have had the witnesses. If there are not further questions, may I again express the appreciation of the subcommittee for your attendance.

Mr. MACDONALD. Our appreciation, Mr. Chairman, and thank you for everything.

Chairman HAWKINS. Thank you.

May I indicate, without objection, that a statement by Miss LeTendre, Mary Jean LeTendre, I see she is seated in the audience, remarks prepared for delivery at the 1990 Chapter 1 regional meetings on Program Improvement be included in the record.

I read it last night. I want to commend you on a very excellent statement. For once you and I said exactly the same thing.

Without objection, then, the statement will be printed in the record, and the meeting is adjourned.

[Whereupon, at 3:30 p.m., the subcommittee was adjourned.]

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